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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 000-21392

Amarin Corporation plc
(Exact Name of Registrant as Specified in its Charter)

England and Wales	**Not applicable**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
2 Pembroke House, Upper Pembroke Street 28-32	**Dublin 2, Ireland**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: +353 (0) 1 6699 020

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 ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

150,312,023 shares held as American Depository Shares (ADS), each representing one Ordinary Share, 50 pence par value per share, and 371,108 ordinary shares, were outstanding as of May 2, 2013.

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PART I

AMARIN CORPORATION PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	March 31, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 201,780	$ 260,242
Restricted cash	1,400	—
Accounts receivable	3,441	—
Inventory	27,435	21,262
Deferred tax asset	937	937
Other current assets	7,051	3,253
Total current assets	242,044	285,694
Property, plant and equipment, net	766	811
Deferred tax asset	11,993	8,044
Other non-current assets	5,335	4,951
Intangible asset, net	11,193	11,355
TOTAL ASSETS	$ 271,331	$ 310,855
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 22,945	$ 17,458
Accrued interest payable	4,646	2,520
Deferred revenue	2,865	—
Accrued expenses and other liabilities	11,935	5,224
Total current liabilities	42,391	25,202
Long-Term Liabilities:		
Warrant derivative liability	49,011	54,854
Exchangeable senior notes	137,735	134,250
Long- term debt	85,873	85,153
Long- term debt redemption feature	15,600	14,577
Other long term liabilities	807	816
Total liabilities	331,417	314,852
Commitments and contingencies (Note 7)		
Stockholders' Deficit:		
Common stock, £0.50 par, unlimited authorized; 150,691,881 issued, 150,671,802 outstanding at March 31, 2013; 150,360,933 issued, 150,340,854 outstanding at December 31, 2012	124,846	124,597
Additional paid-in capital	625,086	619,266
Treasury stock; 20,079 shares at March 31, 2013 and December 31, 2012	(217)	(217)
Accumulated deficit	(809,801)	(747,643)
Total stockholders' deficit	(60,086)	(3,997)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 271,331	$ 310,855

See notes to condensed consolidated financial statements.

AMARIN CORPORATION PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Three months ended March 31, 2013	2012
Product revenues	$ 2,341	$ —
Operating Expenses:		
Cost of goods sold	1,287	—
Selling, general and administrative	39,267	14,027
Research and development	21,838	4,756
Total operating expenses	62,392	18,783
Operating loss	(60,051)	(18,783)
Gain (loss) on change in fair value of derivative liabilities	3,620	(66,209)
Interest expense, net	(8,860)	(3,951)
Other (expense) income, net	(124)	68
Loss from operations before taxes	(65,415)	(88,875)
Benefit from income taxes	3,257	590
Net loss	$ (62,158)	$ (88,285)
Loss per share:		
Basic and diluted	$ (0.41)	$ (0.65)
Weighted average shares:		
Basic and diluted	150,430	136,011

See notes to condensed consolidated financial statements.

AMARIN CORPORATION PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT
(In thousands, except share amounts)

	Common Shares	Common Stock	Additional Paid-in Capital	Treasury shares	Accumulated Deficit	Total
At December 31, 2012	**150,360,933**	**$124,597**	**$619,266**	**$ (217)**	**$ (747,643)**	**$ (3,997)**
Exercise of warrants	70,000	52	18	—	—	70
Exercise of stock options	260,000	196	243	—	—	439
Tax benefits realized from stock-based compensation	—	—	678	—	—	678
Shares issued for services	948	1	7	—	—	8
Stock-based compensation	—	—	4,874	—	—	4,874
Loss for the period	—	—	—	—	(62,158)	(62,158)
At March 31, 2013	**150,691,881**	**$124,846**	**$625,086**	**$ (217)**	**$ (809,801)**	**$(60,086)**

	Common Shares	Common Stock	Additional Paid-in Capital	Treasury shares	Accumulated Deficit	Total
At December 31, 2011	**135,832,542**	**$ 113,321**	**$449,393**	**$ (217)**	**$ (568,459)**	**$ (5,962)**
Exercise of warrants	40,000	31	28	—	—	59
Transfer of fair value of warrants exercised from liabilities to equity	—	—	321	—	—	321
Conversion option contained in exchangeable notes	—	—	22,898	—	—	22,898
Exercise of stock options	554,249	438	353	—	—	791
Tax benefits realized from stock-based compensation	—	—	1,884	—	—	1,884
Shares issued for services	894	—	6	—	—	6
Stock-based compensation	—	—	3,874	—	—	3,874
Loss for the period	—	—	—	—	(88,285)	(88,285)
At March 31, 2012	**136,427,695**	**$ 113,790**	**$478,757**	**$ (217)**	**$ (656,744)**	**$(64,414)**

See notes to condensed consolidated financial statements.

AMARIN CORPORATION PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (62,158)	$ (88,285)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation and amortization	59	32
Stock-based compensation	4,874	3,874
Stock-based compensation—warrants	(451)	2,374
Excess tax benefit from stock-based awards	(678)	(1,884)
Accrued interest payable	2,124	1,196
Amortization of debt discount and debt issuance costs	4,204	—
Amortization of Intangible Asset	161	—
(Gain) loss on changes in fair value of derivative liabilities	(3,620)	66,209
Deferred income taxes	(3,949)	—
Shares issued for services	8	6
Change in lease liability	(7)	(8)
Changes in assets and liabilities:		
Restricted cash	(1,400)	—
Accounts receivable	(3,441)	—
Inventories	(6,173)	—
Other current assets	(3,798)	(3,131)
Other non-current assets	(383)	(2,050)
Accounts payable and other liabilities	14,993	1,137
Other non-current liabilities	—	2,793
Net cash used in operating activities	(59,635)	(17,737)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(14)	(92)
Net cash used in investing activities	(14)	(92)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options, net of transaction costs	439	791
Proceeds from exercise of warrants, net of transaction costs	70	59
Proceeds from issuance of senior notes, net of transaction costs	—	144,316
Excess tax benefit from stock-based awards	678	1,884
Payments under capital leases	—	(1)
Net cash provided by financing activities	1,187	147,049
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(58,462)	129,220
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	260,242	116,602
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 201,780	$ 245,822
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ 2,625	$ —
Income taxes	$ 563	$ 111
Non-cash transactions:		
Reclass of derivative warrant liability to additional paid-in capital	$ 0	$ 321

See notes to condensed consolidated financial statements.

AMARIN CORPORATION PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For purposes of this Quarterly Report on Form 10-Q, our ordinary shares may also be referred to as "common shares" or "common stock."

(1) Nature of Business and Basis of Presentation

Nature of Business

Amarin Corporation plc, "Amarin" or the "Company", is a public limited company with its primary stock market listing in the United States on the NASDAQ Global Market. Amarin was originally incorporated in England as a private limited company on March 1, 1989 under the Companies Act 1985, and re-registered in England as a public limited company on March 19, 1993.

Amarin is a biopharmaceutical company with expertise in lipid science focused on the commercialization and development of therapeutics to improve cardiovascular health. On July 26, 2012, the Company received approval from the U.S. Food and Drug Administration , or FDA, to market and sell its lead product Vascepa® (icosapent ethyl) capsules (formerly known as AMR 101) as an adjunct to diet to reduce triglyceride levels in adult patients with severe (TG ≥500mg/dL) hypertriglyceridemia, which the Company sometimes refers to as the MARINE indication. Triglycerides are fats in the blood. Vascepa became commercially available in the United States by prescription in January 2013, when the Company commenced sales and shipments to its network of U.S.-based wholesalers and specialty pharmacy providers. On January 28, 2013, the Company commenced its full commercial launch of Vascepa in the United States for use in the MARINE indication.

Amarin is also developing Vascepa for the treatment of patients with high triglyceride levels (TG ≥200 mg/dL and <500 mg/dL) who are also on statin therapy for elevated LDL-C levels. This indication is referred to as mixed dyslipidemia or the ANCHOR indication. In February 2013, the Company submitted a supplemental New Drug Application, or sNDA, to the FDA seeking approval of Vascepa for the ANCHOR indication. In April 2013, the FDA notified the Company that it accepted the ANCHOR sNDA for review. The acceptance of the ANCHOR sNDA for review indicates that the application is sufficiently complete to permit a substantive review by the FDA. The application is subject to a standard review and has been assigned a Prescription Drug User Fee Act, or PDUFA, date of December 20, 2013. The PDUFA date is the target date for the FDA to complete its review of the sNDA. However, there can be no assurance that the FDA will complete its review of the sNDA by this date.

Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, in accordance with accounting principles generally accepted in the United States of America (the "U.S." or the "United States") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information in the footnote disclosures of the financial statements has been condensed or omitted where it substantially duplicates information provided in the Company's latest audited consolidated financial statements, in accordance with the rules and regulations of the SEC. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed with the SEC (the "2012 Form 10-K"). The balance sheet amounts at December 31, 2012 in this report were derived from the Company's audited 2012 consolidated financial statements included in the 2012 Form 10-K. The condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position, results of operations and cash flows for the periods indicated. The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and classifications of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for the three months ended March 31, 2013 and March 31, 2012, respectively, are not necessarily indicative of the results for the entire fiscal year or any future period. The Company has evaluated subsequent events from March 31, 2013 through the date of the issuance of these condensed consolidated financial statements and has disclosed subsequent events in Note 9.

The accompanying consolidated financial statements of the Company and subsidiaries have been prepared on a basis which assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Prior to 2004, the Company was in the business of selling a previous biopharmaceutical compound, which has since been discontinued. The Company's current focus is on the commercialization and development of Vascepa, which received approval from the FDA in 2012 and for which the Company commenced marketing and sales in 2013.

At March 31, 2013, the Company had cash and cash equivalents of $201.8 million. The Company's consolidated balance sheet also includes derivative liabilities (see footnote 5—Warrants and Derivative Liabilities) as well as long term debt and exchangeable senior notes (see footnote 6—Debt). The warrant derivative liability reflects the fair value of outstanding warrants to purchase shares of the Company's common stock. This liability can only be settled in shares of the Company's stock and, as such, would only result in cash inflows upon the exercise of the warrants—not a cash out-flow. The long term debt is not callable except upon a change in control. The Exchangeable Senior Notes may be redeemed on or after January 19, 2017 at the option of the holders. The Notes are exchangeable under certain circumstances into cash, American Depository Shares, or ADSs, or a combination of cash and ADSs, at the Company's election. Accordingly, the warrant derivative liability, long term debt and Exchangeable Senior Notes do not present a short term claim on the liquid assets of the Company.

The Company believes its cash and cash equivalents will be sufficient to fund its projected operations for at least the next twelve months, including the continued commercialization of Vascepa and the advancement of the REDUCE-IT cardiovascular outcomes study. In order to fund the Company's commercialization plans, in particular to fully support the marketing and sale of Vascepa in the ANCHOR indication, the Company will likely need to enter into a strategic collaboration or raise additional capital.

(2) Significant Accounting Policies

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounting estimates are based on historical experience and other factors that are considered reasonable under the circumstances. Actual results could differ from those estimates. The preparation of the Company's condensed consolidated financial statements in accordance with GAAP requires management to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates and judgments and methodologies, including those related to revenue recognition and related allowances,

clinical trial expenses, the valuation of inventory, impairment and amortization of intangibles, share-based compensation, income taxes including the valuation allowance for deferred tax assets, valuation of investments and derivative instruments. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

The Company sells Vascepa principally to a limited number of major wholesalers, as well as selected regional wholesalers and specialty pharmacy providers, or collectively, its Distributors, that in turn resell Vascepa to retail pharmacies for subsequent resale to patients and health care providers. Patients are required to have a prescription in order to purchase Vascepa. The Company recognizes net product revenues from sales of Vascepa as long as (i) there is persuasive evidence that an arrangement exists between the Company and the Distributor, (ii) delivery has occurred, (iii) collectability is reasonably assured and (iv) the price is fixed or determinable.

The Company commenced its commercial launch in the U.S on January 28, 2013. Prior to 2013, the Company recognized no revenue from Vascepa sales. Until the Company achieves sufficient history with respect to Vascepa sales such that it can reliably estimate returns based on sales to its Distributors, the Company has determined that sale of product to Distributors does not meet the criteria for revenue recognition at the time of shipment to its Distributors due to limited returns history which impedes the Company's ability to estimate such returns. Consistent with industry practice, once the Company achieves sufficient history such that it can reliably estimate returns based on sales to its Distributors, the Company anticipates that its revenues will be recognized based on sales to its Distributors. The Company currently defers Vascepa revenue recognition until the earlier of the product being resold by the Distributors for purposes of fulfilling patient prescriptions; or the expiration of the right of return (twelve months after the expiration date of the product). The Company also defers the related cost of product sales and records such amounts as finished goods inventory held by others until revenue related to such product sales is recognized.

The Company has written contracts with its Distributors and delivery occurs when a Distributor receives Vascepa. The Company evaluates the creditworthiness of each of its Distributors to determine whether revenues can be recognized upon delivery, subject to satisfaction of the other requirements, or whether recognition is required to be delayed until receipt of payment. In order to conclude that the price is fixed or determinable, the Company must be able to (i) calculate its gross product revenues from the sales to Distributors and (ii) reasonably estimate its net product revenues. The Company calculates gross product revenues based on the wholesale acquisition cost that the Company charges its Distributors for Vascepa. The Company estimates its net product revenues by deducting from its gross product revenues (a) trade allowances, such as invoice discounts for prompt payment and distributor fees, (b) estimated government and private payor rebates, chargebacks and discounts, such as Medicaid reimbursements, (c) reserves for expected product returns and (d) estimated costs of incentives offered to certain indirect customers, including patients.

Trade Allowances: The Company generally provides invoice discounts on Vascepa sales to its Distributors for prompt payment and pays fees for distribution services, such as fees for certain data that Distributors provide to the Company. The payment terms for sales to Distributors generally include a 2% discount for payment within 30 days. Based on the Company's judgment and industry experience, the Company expects its Distributors to earn these discounts and fees, and deducts the full amount of these discounts and fees from its gross product revenues and accounts receivable at the time such revenues are recognized.

Rebates, Chargebacks and Discounts: The Company contracts with Medicaid, other government agencies and various private organizations, or collectively, its Third-party Payors, so that Vascepa will be eligible for purchase by, or partial or full reimbursement from, such Third-party Payors. The Company estimates the rebates, chargebacks and discounts it will provide to Third-party Payors and deducts these estimated amounts from its gross product revenues at the time the revenues are recognized. The Company estimates the rebates, chargebacks and discounts that it will provide to Third-party Payors based upon (i) the Company's contracts with these Third-party Payors, (ii) the government-mandated discounts applicable to government-funded programs and (iii) information obtained from the Company's Distributors and other third parties regarding the payor mix for Vascepa.

Product Returns: The Company estimates the amount of Vascepa that will be returned and deducts these estimated amounts from its gross revenues at the time that revenues are recognized. The Company's Distributors have the right to return unopened unprescribed Vascepa during the 18-month period beginning six months prior to the labeled expiration date and ending twelve months after the labeled expiration date. The expiration date for Vascepa is three years after it has been converted into capsule form, which is the last step in the manufacturing process for Vascepa and generally occurs within a few months before Vascepa is delivered to Distributors. As of March 31, 2013, the Company had not received any product returns. During the three months ended, March 31, 2013, the first quarter in which the Company began selling Vascepa, the Company was not able to reasonably estimate product returns for all product sold to Distributors but the Company was able to reasonably estimate product returns for certain sales of Vascepa based on resale of product by its Distributors for purposes of fulfilling patient prescriptions. In making this assessment, the Company used (i) data provided to the Company by its Distributors (including weekly reporting of Distributors' sales and inventory held by Distributors that provided the Company with visibility into the distribution channel in order to determine what quantities were sold to retail pharmacies and other providers), (ii) information provided to the Company from retail pharmacies, (iii) data provided to the Company by other third parties, (iv) historical industry information regarding return rates for similar pharmaceutical products, (v) the estimated remaining shelf life of Vascepa previously shipped and currently being shipped to Distributors and (vi) contractual agreements intended to limit the amount of inventory maintained by the Company's Distributors.

Other Incentives: Other incentives that the Company offers to indirect customers include co-pay mitigation rebates provided by the Company to commercially insured patients who have coverage for Vascepa and who reside in states that permit co-pay mitigation programs. The Company's co-pay mitigation program is intended to reduce each participating patient's portion of the financial responsibility for Vascepa's purchase price to a specified dollar amount. Based upon the terms of the program and information regarding programs provided for similar specialty pharmaceutical products, the Company estimates the average co-pay mitigation

amounts and the percentage of patients that it expects to participate in the program in order to establish its accruals for co-pay mitigation rebates and deducts these estimated amounts from its gross product revenues at the time the revenues are recognized. The Company's co-pay mitigation rebates offered to date will expire on December 31, 2013. The Company adjusts its accruals for co-pay mitigation rebates based on its estimates regarding the portion of issued rebates that it estimates will not be redeemed. In addition, as is customary prior to the launch of new drugs, the Company provided certain of its Distributors with financial incentives to begin stocking Vascepa prior to the Company's commercial launch of Vascepa in order to ensure that Vascepa was readily available to fill patient prescriptions upon launch. The Company anticipates that these incentives will only be required for initial launch quantities of Vascepa stocked by Distributors in January 2013. The amount of these financial incentives is recorded by the Company as a reduction to revenues on a pro-rata basis for each of the bottles subject to such financial incentives.

The following table summarizes activity in each of the product revenue allowance and reserve categories described above for the quarter ended March 31, 2013 (in thousands):

	Trade Allowances	Rebates, Chargebacks and Discounts	Product Returns	Other Incentives	Total
Balance at January 28, 2013	$ —	$ —	$ —	$ —	$ —
Provision related to current period and deferred sales	1,073	259	72	830	2,234
Credits/payments made for current period and deferred sales	(566)	(3)	—	(209)	(779)
Balance at March 31, 2013	**$ 507**	**$ 256**	**$ 72**	**$ 620**	**$1,455**

The following table summarizes revenue recognized and deferred during the quarter ended March 31, 2013 (in thousands):

	March 31, 2013	December 31, 2012
Revenue recognized	$ 2,341	$ —
Deferred revenue	2,865	—
	$ 5,206	**$ —**

In conjunction with the Company's recognition and deferral of revenues, the Company expensed and capitalized the associated cost of goods, as follows, during the quarter ended March 31, 2013 (in thousands):

	March 31, 2013	December 31, 2012
Cost of goods sold expensed	$ 1,287	$ —
Finished goods inventory held by others	1,422	—
	$ 2,709	**$ —**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, deposits held at call with banks and short term highly liquid instruments with remaining maturities at the date of purchase of 90 days or less. Restricted cash represents cash and cash equivalents pledged to guarantee repayment of certain expenses which may be incurred for business travel under corporate credit cards held by employees.

Inventory

The Company states inventories at the lower of cost or market. Cost is determined based on actual cost using the average cost method. An allowance is established when management determines that certain inventories may not be saleable. If inventory cost exceeds expected market value due to obsolescence, damage or quantities in excess of expected demand, the Company will record a reserve for the difference between cost and market value. The Company received FDA approval on July 26, 2012 and after that date began capitalizing inventory purchases of saleable product from approved suppliers.

Intangible Asset, net

Intangible assets consist of a milestone payment paid to the former shareholders of Laxdale Limited related to the 2004 acquisition of our rights to Vascepa, which is the result of Vascepa receiving marketing approval for the first indication and is amortized over its estimated useful life on a straight-line basis. The Company concluded that use of the straight-line method was appropriate as the majority of cash flows are expected to be generated ratably over the estimated useful life and no degradation of the cash flows over time is currently anticipated. See footnote 7 (commitments and contingencies) for further information regarding other obligations related to the acquisition of Laxdale Limited.

Deferred Revenue

Deferred revenue represents product shipments to Distributors for which we have invoiced the Distributors but not recognized revenue because the product was not reported to us as having been resold by the Distributors on or before March 31, 2013.

Research and Development Costs

The Company charges research and development costs to operations as incurred. Research and development expenses are comprised of costs incurred by the Company in performing research and development activities, including salary and benefits; stock-based compensation expense; laboratory supplies and other direct expenses; contractual services, including clinical trial and pharmaceutical development costs; commercial supply investment in its drug candidates; and infrastructure costs, including facilities costs and depreciation expense. In addition, research and development costs include the costs of product supply received from suppliers when such receipt by the Company is prior to regulatory approval of the supplier.

Selling, General and Administrative Costs

The Company charges sales, general and administrative costs to operations as incurred. Sales, general and administrative costs include costs of salaries, programs and infrastructure necessary for the general conduct of the Company's business, including the 2013 commercial launch of Vascepa in the United States for the MARINE indication. Included as part of sales, general and administrative costs is warrant-related expense from non-cash changes in fair value of the derivative liability associated with warrants issued in October 2009 to former officers of Amarin which is recorded as compensation income (expense).

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts and tax bases of assets and liabilities and operating loss carry-forwards and other attributes using enacted rates expected to be in effect when those differences reverse. Valuation allowances are provided against deferred tax assets that are not more likely than not to be realized.

The Company provides reserves for potential payments of tax to various tax authorities or does not recognize tax benefits related to uncertain tax positions and other issues. Tax benefits for uncertain tax positions are based on a determination of whether a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized, assuming that the matter in question will be decided based on its technical merits. The Company's policy is to record interest and penalties in the provision for income taxes.

Derivative Instruments

Derivative financial liabilities are recorded at fair value, with gains and losses arising for changes in fair value recognized in the statement of operations at each period end while such instruments are outstanding. If the Company issues shares to discharge the liability, the derivative financial liability is derecognized and common stock and additional paid-in capital are recognized on the issuance of those shares. The warrants are valued using a Black-Scholes option pricing model due to the nature of instrument. The long term debt redemption feature is valued using a probability-weighted model incorporating management estimates for potential change in control, and by determining the fair value of the debt with and without the change in control provision included.

If the terms of warrants that initially require the warrant to be classified as a derivative financial liabilities lapse, the derivative financial liability is reclassified out of financial liabilities into equity at its fair value on that date. At the applicable settlement date, if the instruments are settled in shares the carrying value of the warrants are derecognized and transferred to equity at their fair value at that date. The cash proceeds received from exercises of warrants are recorded in common stock and additional paid-in capital.

Loss per Share

Basic net loss per share is determined by dividing net loss by the weighted average shares of common stock outstanding during the period. Diluted net loss per share is determined by dividing net loss by diluted weighted average shares outstanding. Diluted weighted average shares reflects the dilutive effect, if any, of potentially dilutive common shares, such as common stock options and warrants calculated using the treasury stock method and convertible notes using the "if-converted" method. In periods with reported net operating losses, all common stock options and warrants are deemed anti-dilutive such that basic net loss per share and diluted net loss per share are equal.

Debt Instruments

Debt instruments are initially recorded at fair value, with coupon interest and amortization of debt issuance discounts recognized in the statement of operations as interest expense at each period end while such instruments are outstanding. If the Company issues shares to discharge the liability, the debt obligation is derecognized and common stock and additional paid-in capital are recognized on the issuance of those shares.

The Company's exchangeable notes contain a conversion option which is classified as equity. The fair value of the liability component of the debt instrument was deducted from the initial proceeds to determine the proceeds to be allocated to the conversion option. The embedded conversion option is indexed to the Company's stock and treated as equity on the balance sheet. The conversion option is evaluated on a quarterly basis to determine if it still meets the criteria to be equity classified. The excess principal amount of the debt over the carrying value of the liability is amortized to interest expense over the term of the debt.

The Company's December 2012 debt financing agreement contains a redemption feature triggered upon a change of control, which has been classified as an embedded derivative. The fair value of the derivative was recorded as a reduction to the fair value of the note payable. The fair value of this warrant derivative liability is remeasured at each reporting period, with changes in fair value recognized in the statement of operations. The discount recorded to the note payable is being amortized to interest expense over the term of the note payable.

Fair Value of Financial Instruments

The Company provides disclosure of financial assets and financial liabilities that are carried at fair value based on the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements may be classified based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities using the following three levels:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3—Unobservable inputs that reflect the Company's estimates of the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available, including its own data.

The following table presents information about the Company's assets and liabilities as of March 31, 2013 and December 31, 2012 that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value:

	March 31, 2013			
In millions	Total	Level 1	Level 2	Level 3
Asset:				
Cash equivalents—money markets	$41.4	$41.4	$ —	$ —
Liabilities:				
Warrant derivative liability	$49.0	$ —	$ —	$49.0
Long term debt redemption feature	$15.6	$ —	$ —	$15.6
Foreign currency contracts	$ 0.7	$ —	$ —	$ 0.7

	December 31, 2012			
In millions	Total	Level 1	Level 2	Level 3
Asset:				
Cash equivalents—money markets	$64.1	$64.1	$ —	$ —
Liability:				
Warrant derivative liability	$54.9	$ —	$ —	$54.9
Long term debt redemption feature	$14.6	$ —	$ —	$14.6

The carrying amounts of cash, cash equivalents, accounts payable and accrued liabilities approximate fair value because of their short-term nature.

Warrant Derivative Liability

At December 31, 2012, the fair value of the warrant derivative liability was determined to be $54.9 million using the Black-Scholes option valuation model applying the following assumptions: (i) risk-free rate of 0.25%, (ii) remaining term of 1.8 years, (iii) no dividend yield, (iv) volatility of 95% and (v) the stock price on the date of measurement.

At March 31, 2013, the fair value of the warrant derivative liability was determined to be $49.0 million using the Black-Scholes option valuation model applying the following assumptions: (i) risk-free rate of 0.2%, (ii) remaining term of 1.5 years, (iii) no dividend yield, (iv) volatility of 94%, and (v) the stock price on the date of measurement. The $5.9 million decrease in the fair value of the warrant liability during the three months ended March 31, 2013 was recognized as: (i) a $5.4 million gain on change in fair value of the remaining derivative liability and (ii) $0.5 million in compensation income for change in fair value of warrants issued to former employees. Both amounts are included in the consolidated statement of operations for the three months ended March 31, 2013. The change in the fair value of the warrant derivative liability is as follows (in thousands):

	October 2009 Warrants	Debt Redemption Feature	Foreign Exchange Contracts	Totals
Balance at December 31, 2011	**$123,125**	**$ —**	**$ —**	**$123,125**
Loss on change in fair value of derivative liability	66,209	—	—	66,209
Compensation expense for change in fair value of warrants issued to former employees	2,374			2,374
Transfers to equity	(321)	—	—	(321)
Balance at March 31, 2012	**$191,387**	**$ —**	**$ —**	**$191,387**

	October 2009 Warrants	Debt Redemption Feature	Foreign Exchange Contracts	Totals
Balance at December 31, 2012	**$ 54,854**	**$ 14,576**	**$ —**	**$ 69,430**
(Gain) loss on change in fair value of derivative liabilities	(5,392)	1,024	748	(3,620)
Compensation income for change in fair value of warrants issued to former employees	(451)			(451)
Transfers to equity	—	—	—	—
Balance at March 31, 2013	**$ 49,011**	**$ 15,600**	**$ 748**	**$ 65,359**

The fair value of this warrant liability is determined using the Black-Scholes option valuation model and is therefore sensitive to changes in the market price and volatility of our common stock among other factors. In the event of a hypothetical 10% increase in the market price of our common shares ($8.15 based on the $7.41 market price of our stock at March 28, 2013) on which the March 31, 2013 valuation was based, the value of the derivative liability would have increased by $5.9 million. Such increase would have been reflected as additional loss on change in fair value of the warrant derivative liability in our statement of operations. Significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value asset measurement.

Long Term Debt Redemption Feature

The Company's December 2012 financing agreement contains a redemption feature whereby, upon a change of control, the Company would be required to pay $140 million, less any previously repaid amount, if the change of control occurs on or before December 31, 2013, or required to repay $150 million, less any previously repaid amount, if the change of control event occurs after December 31, 2013. The Company determined this redemption feature to be an embedded derivative, which is carried at fair value and is classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. The fair value of the embedded derivative was calculated using a probability-weighted model incorporating management estimates for potential change in control, and by determining the fair value of the debt with and without the change in control provision included. The difference between the two fair values of the debt was determined to be the fair value of the embedded derivative. The fair value of the derivative liability was calculated at both December 31, 2012 and at March 31, 2013. At December 31, 2012, the fair value of the derivative was determined to be $14.6 million, and the debt was valued by comparing debt issues of similar companies with (i) terms of between 4.8 and 8.0 years, (ii) coupon rates of between 3.0% and 11.5% and (iii) market yields of between 10.7% and 27.7%. At March 31, 2013, the fair value of the derivative was determined to be $15.6 million, and the debt was valued by comparing debt issues of similar companies with (i) remaining terms of between 4.0 and 7.4 years, (ii) coupon rates of between 9.9% and 11.9% and (iii) market yields of between 12.3% and 25.6%. The Company recognized a $1.0 million loss on change in fair value of derivative liability at March 31, 2013.

Foreign Currency

All subsidiaries use the United States dollar as the functional currency. Monetary assets and liabilities denominated in a foreign currency are remeasured into United States dollars at year-end exchange rates. Non-monetary assets and liabilities carried in a foreign currency are remeasured into United States dollars using rates of exchange prevailing when such assets or liabilities were obtained or incurred, and expenses are generally remeasured using rates of exchange prevailing when such expenses are incurred. Gains and losses from the remeasurement are included in other (expense) income, net in the consolidated financial statements of operations. For transactions settled during the applicable period, gains and losses are included in other (expense) income, net in the consolidated statements of operations. The Company uses foreign exchange forward contracts to hedge against changes in exchange rates for inventory purchase denominated in foreign currency. As of March 31, 2013 the Company held foreign exchange forward contracts with notional amounts totaling $15.0 million. As of March 31, 2013, the outstanding foreign exchange forward contract derivative liability had a net fair value of $0.7 million. The Company included this $0.7 million as a component of change in fair value of derivative liabilities and in Other Current Liabilities at March 31, 2013.

Segment and Geographical Information

For the three months ended March 31, 2013 and 2012, the Company has reported its business as a single reporting segment. The Company's chief decision maker, who is the Chief Executive Officer, regularly evaluates the Company on a consolidated basis.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, and are adopted by the Company as of the specified effective date. The Company believes that the impact of other recently issued but not yet adopted accounting pronouncements will not have a material impact on consolidated financial position, results of operations, and cash flows, or do not apply to the Company's operations.

(3) Intangible Assets

Intangible assets consist of technology rights for Vascepa and have an estimated remaining useful life of 17.8 years. Carrying value as of March 31, 2013 and December 31, 2012 is as follows (in thousands):

	March 31, 2013	December 31, 2012
Technology rights	$ 11,624	$ 11,624
Accumulated amortization	(431)	(269)
	$ 11,193	$ 11,355

(4) Inventory

After approval of Vascepa on July 26, 2012 by the FDA, the Company began capitalizing its purchases of saleable inventory of Vascepa. Inventories consist of the following at March 31, 2013 and December 31, 2012 (in thousands):

	March 31, 2013	December 31, 2012
Raw materials	$ 6,211	$ 5,465
Work in progress	9,735	15,471
Finished goods	10,067	326
Finished goods inventory held by others	1,422	—
	$ 27,435	$ 21,262

Inventory is valued at lower of cost or market, no reserve for excess or obsolete inventory was recorded at either March 31, 2013 or December 31, 2012.

(5) Warrants and Warrant Derivative Liability

The Company had 9,866,826 warrants to purchase common shares outstanding at March 31, 2013 at a weighted-average exercise price of $1.44, as summarized in the following table:

Issue Date	Amount	Exercise Price	Expiration Date
4/27/07	17,500	17.90	1/17/14
7/31/09	1,734,888	1.00	7/30/14
10/16/09	7,487,388	1.50	10/15/14
10/16/09	627,050	1.50	10/15/14
	9,866,826	**$1.44**	

October 2009 Warrants derivative liability

On October 16, 2009, the Company completed a $70.0 million private placement with both existing and new investors resulting in $62.3 million in net proceeds and an additional $3.6 million from bridge notes converted in conjunction with the private placement. In consideration for the $62.3 million in net cash proceeds Amarin issued 66.4 million units, each unit consisting of (i) one ADS (representing one ordinary share) at purchase price of $1.00 and (ii) a warrant with a five year term to purchase 0.5 of an ADS at an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units, each unit consisting of (i) one ADS (representing one ordinary share) at a purchase price of $0.90 and (ii) a warrant with a five year term to purchase 0.5 of an ADS an exercise price of $1.50 per ADS. The total number of warrants issued in conjunction with the financing was 35.2 million of which 7.5 million are outstanding at March 31, 2013.

In conjunction with the October 2009 financing, the Company issued an additional 0.9 million warrants to three former officers of which 0.6 million are outstanding as of March 31, 2013. The warrants issued in connection with the October 2009 financing contained a pricing variability feature which provided for an increase to the exercise price if the exchange rate between the U.S. dollar and British pound adjusts such that the warrants could be exercised at a price less than the £0.5 par value of the common stock – that is, if the exchange rate exceeded U.S. $3.00 per £1.0 sterling. Due to the potential variable nature of the exercise price, the warrants are not considered to be indexed to the Company's common stock. Accordingly, the warrants do not qualify for the exception to classify the warrants within equity and are classified as a derivative liability.

The fair value of this warrant derivative liability is remeasured at each reporting period, with changes in fair value recognized in the statement of operations. Upon exercise, the fair value of the warrants exercised is remeasured and reclassified from warrant liability to additional paid-incapital. Although the warrants contain a pricing variability feature, the number of warrants issuable remains fixed. Therefore, the maximum number of common shares issuable as a result of the October 2009 private placement is 36.1 million. The change in fair value of the warrant derivative liability is discussed in Note 2.

July 2009 and April 2007 Warrants

The Company issued several warrants in July 2009 and April 2007. As of March 31, 2013 and December 31, 2012 these warrants have been classified as equity instruments and have been included in the Company's consolidated balance sheet within additional paid-in-capital. During the three months ended March 31, 2013, 70,000 of the July 2009 warrants were exercised, resulting in proceeds to the Company of $0.1 million.

(6) Debt

Long term debt—December 2012 Financing

On December 6, 2012, the Company entered into an agreement with Biopharma Secured Debt Fund II Holdings Cayman LP, or Biopharma. Under this agreement, the Company granted to Biopharma a security interest in future receivables associated with the Vascepa patent rights in

exchange for $100 million received at the closing of the agreement, which closing occurred in December 2012. The Company has agreed to repay Biopharma up to $150 million of future revenue and receivables. The first repayment under the agreement is a repayment of $2.5 million of interest due to be paid to Biopharma in November 2013 for the fiscal quarter ended September 30, 2013, subject to the limitation described below. Additional quarterly repayments are scheduled to be paid thereafter in accordance with the following schedule: $2.5 million of interest in the first quarter of 2014; $8.0 million per quarter in each of the next four quarters, $10.0 million per quarter in each of the next four quarters, $15.0 million per quarter in each of the next four quarters and a final payment of $13.0 million scheduled for payment in May 2017. The quarterly repayments through the third quarter of September 2014 represent interest only. Quarterly payments do not begin to reduce the principal balance until the fourth quarter of 2014. These quarterly payments are subject to a quarterly threshold amount whereby, if a calculated threshold, based on quarterly Vascepa revenues, is not achieved, the quarterly payment payable in that quarter can at our election be reduced, with the reduction carried forward without interest for payment in a future period. The payment of any carried forward amount is subject to similarly calculated threshold repayment amounts based on Vascepa revenue levels. Except upon a change of control in Amarin, the agreement does not expire until $150 million has been repaid. Under the agreement, upon a change of control, we would be required to pay $140 million, less any previously repaid amount, if the change of control occurs on or before December 31, 2013, or required to repay $150 million, less any previously repaid amount, if the change of control event occurs after December 31, 2013. The Company can prepay after October 1, 2013, an amount equal to $150 million less any previously repaid amount.

The Company determined the redemption feature upon a change of control to be an embedded derivative requiring bifurcation. The fair value of the embedded derivative was calculated by determining the fair value of the debt with the change in control provision included and also without the change in control provision. The difference between the two fair values of the debt was determined to be the fair value of the embedded derivative, and the Company recorded a derivative liability of $14.6 million as a reduction to the note payable. The fair value of this derivative liability is remeasured at each reporting period, with changes in fair value recognized in the statement of operations. The fair value of the derivative liability at March 31, 2013 was $15.6 million, and the Company recognized a loss on change in fair value of derivative liability of $1.0 million for the three month period ended March 31, 2013. For the three months ended March 31, 2013, the Company recorded $3.4 million and $0.7 million of cash and non cash interest expense, respectively. The Company will periodically evaluate the remaining term of the agreement and the effective interest will be recalculated each period based on the Company's most current estimate of repayment.

The Company estimates that its Vascepa revenue levels will be high enough to support repayment to Biopharma in accordance with the repayment schedule without the optional reduction which is allowed to be elected by the Company if the threshold revenue levels are not achieved. Accordingly, for the three months ended March 31, 2013, the Company recorded a total of $4.1 million in interest expense and the Company currently anticipates that over the scheduled repayment period it will continue to record as interest expense the difference between the proceeds received by the Company and the redemption amount. These estimates will be reevaluated each reporting period by the Company and adjusted if necessary.

Exchangeable Senior Notes

In January 2012, the Company issued $150.0 million in principal amount of 3.5% exchangeable senior notes due 2032, or the Notes. The Notes were issued by Corsicanto Limited, an Irish limited company acquired by Amarin in January 2012. Corsicanto Limited is a wholly-owned subsidiary of Amarin. The general, unsecured, senior obligations are fully and unconditionally guaranteed by Amarin but not by any of the Company's subsidiaries. Corsicanto Limited has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes. There are no significant restrictions on the ability of Amarin to obtain funds from Corsicanto Limited in the form of cash dividends, loans, or advances. Net proceeds to the Company, after payment of underwriting fees and expenses, were approximately $144.3 million.

The Notes have a stated interest rate of 3.5% per year, payable semiannually in arrears on January 15 and July 15 of each year beginning on July 15, 2012, and ending upon the Notes' maturity on January 15, 2032. The Notes are subject to repurchase by the Company at the option of the holders on each of January 19, 2017, January 19, 2022, and January 19, 2027, at a price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date. The Notes are exchangeable under certain circumstances into cash, ADSs, or a combination of cash and ADSs, at the Company's election, with an initial exchange rate of 113.4752 ADSs per $1,000 principal amount of Notes. It is the Company's current intention to settle these obligations in cash. If the Company elected physical settlement, the Notes would initially be exchangeable into 17,021,280 ADSs. Based on the closing price of the Company's stock at March 31, 2013, the principal amount of the Notes would exceed the value of the shares if converted on that date by $23.9 million.

Additional covenants include: (i) limitations on future indebtedness under certain circumstances, (ii) the timely filing of documents and reports pursuant to Section 13 or 15(d) of the Exchange Act with both the SEC and the Trustee, and (iii) maintaining the tradability of the Notes. The Company is required to use commercially reasonable efforts to procure and maintain the listing of the Notes on the Global Exchange Market operated under the supervision of the Irish Stock Exchange (or other recognized stock exchange as defined in the Note Indenture) prior to July 15, 2012. If the Notes are not freely tradable, as a result of restrictions pursuant to U.S. securities law or the terms of the Indenture or the Notes, the Company shall pay additional interest on the Notes at the rate of 0.50% per annum of the principal amount of Notes outstanding for each day during such period for which the Company's failure to file has occurred and is continuing or for which the Notes are not freely tradable.

The Company may not redeem the Notes prior to January 19, 2017, other than in connection with certain changes in the tax law of a relevant taxing jurisdiction that results in additional amounts becoming due with respect to payments and/or deliveries on the Notes. On or after January 19, 2017 and prior to the maturity date, the Company may redeem for cash all or part of the Notes at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. There is no prepayment penalty or sinking fund provided for the Notes. If the Company undergoes a fundamental change, holders may require the Company to repurchase for cash all or part of their Notes at a repurchase price equal to 100% of the principal amount of the Notes to be

repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The Notes are the Company's senior unsecured obligations and rank senior in right of payment to the Company's future indebtedness that is expressly subordinated in right of payment to the Notes and equal in right of payment to the Company's future unsecured indebtedness that is not so subordinated. The Notes are effectively junior in right of payment to future secured indebtedness to the extent of the value of the assets securing such indebtedness.

The Notes are exchangeable under certain circumstances, and the proceeds allocated to this conversion option were determined to be $23.8 million and were deducted from the initial fair value of the $150.0 million debt obligation. The conversion option will not be subsequently remeasured as long as it continues to meet conditions for equity classification. The Company determined the fair value of the liability component of the Notes to be $126.2 million, and the excess of the principal amount of the liability component over the liability is the amount allocated to the conversion option and also results in a discount on the debt. The discount created from allocating proceeds to the conversion option will be amortized to interest expense using the effective interest method over the Notes' estimated remaining life, which was calculated to be a period of twenty-four months. The effective interest rate of the Notes is 14.5%. As of March 31, 2013, the unamortized discount created from the allocation of the proceeds to the conversion option was $10.2 million.

The Company also recorded a debt discount to reflect the value of the underwriters' discounts and offering costs. A portion of the debt discount from underwriter's discounts and offering costs was allocated to the equity and liability components of the Notes in proportion to the proceeds allocated to each component. The portion of the debt discount from underwriters' discounts and offering costs allocated to the liability component is being amortized as interest expense over the estimated remaining life of the Notes of twenty-four months. As of March 31, 2013, the unamortized debt discount was $2.1 million and was recorded as a direct reduction of debt on the balance sheet. The carrying value of the Notes, net of the unamortized discount, was $137.7 million. During the three months ending March 31, 2013, the Company recognized interest expense of $4.8 million related to the Notes, of which $2.9 million represents amortization of the debt discount created upon allocation of proceeds to the conversion option, $1.3 million represents contractual coupon interest, and $0.6 million represents the amortization of the discount from the underwriter's discounts and offering costs. At March 31, 2013, the Company had accrued interest of $1.1 million, which has been included in other current liabilities.

In January 2013, the interest payment due of $2.6 million was paid as scheduled.

(7) Commitments and Contingencies

Royalty and Milestone Obligations

The Company is party to certain milestone and royalty obligations under several product development agreements, as follows:

- The 2010 active pharmaceutical ingredient, or API, supply agreement with the Company's existing Japan-based supplier provides for minimum supply purchase obligations on behalf of the Company. As of March 31, 2013, the remaining API aggregate minimum purchase obligations under this supply agreement were approximately $5.4 million through 2013. The Company may purchase more than this minimum amount.
- In 2011, the Company signed agreements with two additional suppliers for the supply of API materials for Vascepa. In 2012, the Company agreed to terms with a fourth API supplier. These agreements include requirements for the suppliers to qualify their materials and facilities with applicable regulatory authorities including the FDA. The Company anticipates incurring certain costs associated with the qualification of product produced by these suppliers as described below. In each case, following qualification of the supplier for the manufacture of API for commercial sale, these agreements include annual purchase levels to enable Amarin to maintain exclusivity with each respective supplier, and to prevent potential termination of the agreements. As of March 31, 2013, these suppliers had not yet been qualified for the manufacture of API for commercial sale and no liability was recorded for these minimum purchase obligations. The second and third API suppliers were approved by the FDA to manufacture API for commercial sale in April 2013. The 2011 supply agreements include commitments for the Company to fund (i) development fees up to a maximum of $0.5 million (ii) material purchases of up to $5.0 million for initial raw materials, which amount will be credited against future API purchases and (iii) a raw material purchase commitment of $1.1 million. The agreement with the fourth API supplier, Slanmhor Pharmaceuticals, Inc., or Slanmhor, provides for development fees of up to $2.3 million and a commitment of up to $15.0 million, which will be credited against future API material purchases. Under this agreement, during the three months ended March 31, 2013, the Company made payments of $3.9 million to Slanmhor related to stability and technical batches and advances on future API purchases.
- Under the 2004 share repurchase agreement with Laxdale Limited, or Laxdale, upon approval of Vascepa by the FDA on July 26, 2012, the Company was required to make a milestone payment to Laxdale of £7.5 million. The Company made this payment in 2012 and capitalized this Laxdale milestone ($11.6 million on July 26, 2012) as a component of other long term assets. This long-term asset is being amortized over the estimated useful life of the intellectual property the Company acquired from Laxdale and the Company recognized amortization expense of $0.2 million during the three months ended March 31, 2013. Also under the Laxdale agreement, upon receipt of marketing approval in Europe for the first indication for Vascepa (or first indication of any product containing Amarin Neuroscience intellectual property acquired from Laxdale in 2004), the Company must make an aggregate stock or cash payment to the former shareholders of Laxdale (at the sole option of each of the sellers) of £7.5 million (approximately $11.4 million at March 31, 2013). Also under the Laxdale agreement, upon receipt of a marketing approval in the U.S. or Europe for a further indication of Vascepa (or further indication of any other product using Amarin Neuroscience intellectual property), the Company must make an aggregate stock or cash payment (at the sole option of each of the sellers) of £5 million (approximately $7.6 million at March 31, 2013) for each of the two potential market approvals (i.e. £10 million maximum, or approximately $15.2 million at March 31, 2013).

The Company has no provision for any of the obligations above since the amounts are either not probable or estimable at March 31, 2013.

(8) Equity

Common stock

During the three months ended March 31, 2013 and March 31, 2012, the Company issued 260,000 and 554,259 shares, respectively, as a result of the exercise of stock options, resulting in gross and net proceeds of $0.4 million and gross and net proceeds of $0.8 million, respectively. In addition, during the three months ended March 31, 2013 and March 31, 2012, the Company issued 70,000 and 40,000 shares, respectively, as a result of the exercise of warrants, resulting in gross and net proceeds of $0.1 million and gross and net proceeds of $0.1 million, respectively.

In January 2013, the Company granted 434,875 restricted stock units, or RSUs, to several employees under the Amarin Corporation plc 2011 Stock Incentive Plan. These RSUs vest upon the achievement of certain operational milestones and expire on August 3, 2015 if none of the milestones are achieved by such date. The RSUs will become fully vested upon a change of control of the Company. Upon vesting of each RSU, the participant shall be entitled to a payment equal to the fair market value of one share of Amarin common stock. The payment shall be paid to the participant in cash, or at the sole discretion of the Compensation Committee in shares or a combination of cash or shares. The fair value of the RSUs was determined on the date of grant, and compensation expense related to the RSUs is recognized once the related milestone is deemed probable. The Company recorded no expense during the period ended March 31, 2013 related to the vesting of these RSUs.

In February 2012, the Company granted 584,400 RSUs to several employees under the Amarin Corporation plc 2011 Stock Incentive Plan. These RSUs vest upon the achievement of certain regulatory and time-based milestones and expire on February 1, 2015 if none of the milestones are achieved by such date. The RSUs will become fully vested upon a change of control of the Company. Upon vesting of each RSU, the participant shall be entitled to a payment equal to the fair market value of one share of Amarin common stock. The payment shall be paid to the participant in cash, or at the sole discretion of the Compensation Committee in shares or a combination of cash or shares. The fair value of the RSUs was determined on the date of grant, and compensation expense related to the RSUs is recognized once the related milestone is deemed probable. During the periods ended March 31, 2013 and March 31, 2012, the Company recorded expense of $0.1million and $0.4 million, respectively, related to the vesting of these RSUs.

(9) Subsequent Events

In April 2013, the FDA notified the Company that it accepted the Company’s ANCHOR sNDA for review. The acceptance of the sNDA indicates that the application is sufficiently complete to permit a substantive review by the FDA. The application is subject to a standard review and has been assigned a PDUFA date of December 20, 2013. The PDUFA date is the target date for the FDA to complete its review of the sNDA. However, there can be no assurance that the FDA will complete its review of the sNDA by this date. In addition, in April 2013, the FDA approved the Company’s sNDAs covering Chemport and BASF as additional Vascepa API suppliers.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements reflect our plans, estimates and beliefs. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "would" and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Because of these risks and uncertainties, the forward-looking events and circumstances discussed in this report may not transpire. We discuss many of these risks in Part I, Item 1A under the heading "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and below under Part II, Item IA, "Risk Factors".

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this document. You should read this document with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

Overview

We are a biopharmaceutical company with expertise in lipid science focused on the commercialization and development of therapeutics to improve cardiovascular health. On July 26, 2012, we received FDA approval to market and sell our lead product Vascepa® (icosapent ethyl) capsules (formerly known as AMR 101) as an adjunct to diet to reduce triglyceride levels in adult patients with severe (TG ≥500mg/dL) hypertriglyceridemia, which we sometimes refer to as the MARINE indication. Triglycerides are fats in the blood. Vascepa became commercially available in the United States by prescription in January 2013, when we commenced sales and shipments to its network of U.S.-based wholesalers and specialty pharmacy providers. On January 28, 2013, we commenced our full commercial launch of Vascepa in the United States for use in the MARINE indication.

We are also developing Vascepa for the treatment of patients with high triglyceride levels (TG ≥200 mg/dL and <500 mg/dL) who are also on statin therapy for elevated LDL-C levels. This indication is referred to as mixed dyslipidemia or the ANCHOR indication. In February 2013, we submitted an sNDA to the FDA seeking approval of Vascepa for the ANCHOR indication. In April 2013, the FDA notified us that it accepted the sNDA for review. The acceptance of the sNDA indicates that the application is sufficiently complete to permit a substantive review by the FDA. The application is subject to a standard review and has been assigned a PDUFA date of December 20, 2013. The PDUFA date is the target date for the FDA to complete its review of the sNDA. However, there can be no assurance that the FDA will complete its review of the sNDA by this date.

In December 2011 we announced commencement of patient dosing in our cardiovascular outcomes study of Vascepa, titled REDUCE-IT (Reduction of Cardiovascular Events with EPA – Intervention Trial), which is designed to evaluate the efficacy of Vascepa in reducing major cardiovascular events in a high risk patient population on statin therapy. We do not believe the final results of the REDUCE-IT study will be required for FDA approval of Vascepa for the ANCHOR indication.

Hypertriglyceridemia refers to a condition in which patients have high levels of triglycerides in the bloodstream. It is estimated that over 40 million adults in the United States have elevated triglyceride levels (TG >200mg/dL) and approximately 4.0 million people in the United States have severely high triglyceride levels (TG ³500mg/dL), commonly known as very high triglyceride levels. According to *The American Heart Association Scientific Statement on Triglycerides and Cardiovascular Disease* (2011), triglycerides also provide important information as a marker associated with the risk for heart disease and stroke, especially when an individual also has low high-density lipoprotein cholesterol, or HDL-C (often referred to as "good" cholesterol), and elevated levels of LDL-C (often referred to as "bad" cholesterol). Guidelines for the management of very high triglyceride levels suggest that reducing triglyceride levels is the primary goal in patients to reduce the risk of acute pancreatitis. The effect of Vascepa on cardiovascular mortality and morbidity, or the risk for pancreatitis, in patients with hypertriglyceridemia has not been determined.

The potential efficacy and safety of Vascepa was studied in two Phase 3 clinical trials, the MARINE trial and the ANCHOR trial. At a daily dose of 4 grams of Vascepa, the dose at which Vascepa is FDA-approved for the MARINE indication, these trials showed favorable clinical results in their respective patient populations in reducing triglyceride levels without increasing LDL-C levels in the MARINE trial and with a statistically significant decrease in LDL-C levels in the ANCHOR trial. These trials also showed favorable results, particularly with the 4-gram dose of Vascepa, in other important lipid and inflammation biomarkers, including apolipoprotein B (apo B), non-high-density lipoprotein cholesterol (non-HDL-C), total-cholesterol (TC), very low-density lipoprotein cholesterol (VLDL-C), lipoprotein-associated phospholipase A2 (Lp-PLA2), and high sensitivity C-reactive protein (hs-CRP). In these trials, the most commonly reported adverse reaction (incidence >2% and greater than placebo) in patients treated with Vascepa was arthralgia (joint pain) (2.3% for Vascepa vs. 1.0% for placebo).

Commercialization Strategy

Vascepa became commercially available in the United States by prescription in January 2013 when we commenced sales and shipments to our network of U.S.-based wholesalers. On January 28, 2013, we commenced our full commercial launch of Vascepa in the United States for use in the MARINE indication. In preparation for our commercial launch, we hired and trained a direct sales force of approximately 275 sales

representatives. We also employ various marketing and medical affairs personnel to support our commercialization of Vascepa. Our clinical and commercial supply is provided to us under agreements with various third-party suppliers. As of the date of this Quarterly Report, we have 16 patents issued in the United States as well as an additional 6 patent applications which have been allowed by the United States patent office pending issuance for a total of 22 patents issued or allowed. In addition, we have more than 30 additional patent applications pending in the United States. We are also pursuing patent applications related to Vascepa in multiple jurisdictions outside the United States. These patent applications are part of our strategy to protect the commercial potential of Vascepa, which generally includes obtaining and maintaining intellectual property rights, maintaining trade secrets, seeking regulatory exclusivity and taking advantage of manufacturing barriers to entry.

We believe that our sales and marketing team is well positioned to support the commercialization of Vascepa for the MARINE indication and that a larger sales effort will be required to best support the commercialization of Vascepa for the ANCHOR indication, assuming FDA approval of the ANCHOR indication. To support the continued commercialization of Vascepa, we intend to consider strategic opportunities with larger pharmaceutical companies. From time to time we have held discussions with larger pharmaceutical companies on potential collaborations and other strategic opportunities, and we intend to continue having discussions regarding such opportunities in the future. These strategic opportunities may include licensing or similar transactions, joint ventures, partnerships, strategic alliances, business associations, or a sale of the company. However, we cannot estimate the timing of any such potential strategic transaction, and no assurance can be given that we will enter into any such strategic transaction. Until such time when we enter into such a strategic transaction, if ever, we plan to continue to execute on our plans to market and sell Vascepa on our own.

The U.S. market is currently the primary focus for Vascepa. Opportunities to market and sell Vascepa outside of the United States are also under evaluation.

Prior to commencing our U.S. commercial launch of Vascepa in January 2013, we had no revenue from Vascepa. As of the date of this Quarterly Report, we do not believe that we can provide a reasonably accurate forecast of Vascepa revenues and we provide no guidance regarding anticipated levels of Vascepa revenues. In addition, we believe that investors should view the results for the first quarter of 2013 with caution, as data for this single and limited period may not be representative of a trend consistent with the results presented or otherwise predictive of future results. Seasonal fluctuations in pharmaceutical sales, for example, may affect future prescription trends of Vascepa. We believe investors should consider our results for the first quarter of 2013 together with results over several future quarters, or longer, before making an assessment about potential future performance. During the three months ended March 31, 2013, we acquired approximately $11.8 million of Vascepa API of which approximately $8.8 million was capitalized to inventory as of March 31, 2013 and the balance of which was included as a component of research and development expense because it was received from suppliers which had not yet been qualified by the FDA. In April 2013, the FDA approved our sNDAs covering Chemport and BASF as additional Vascepa API suppliers. We are working with Slanmhor to pursue FDA approval for Slanmhor to manufacture Vascepa API. Until an API supplier is approved, all Vascepa API purchased from such supplier is included as a component of research and development expense.

We anticipate continuing to make substantial purchases of supply during 2013 and beyond. We anticipate that our gross margin from Vascepa sales will be lower in 2013 than in subsequent years due to multiple factors, including API supply pricing with our earliest approved supplier, particularly as it relates to our earliest volume of purchases from this supplier, being higher than supply pricing at more recently agreed suppliers, tiered supply pricing at certain suppliers such that cost per kilogram of supply purchases are scheduled to decline as volume of purchases increase, recent improvement in currency exchange rates, geography of our suppliers, special initial stocking discounts provided to wholesalers and pharmacies to encourage them to stock Vascepa in advance of Vascepa's commercial launch, and rebate cards offered to consumers fulfilling prescriptions for Vascepa to reduce the size of the consumer's co-payment requirements while we work with payors to migrate Vascepa coverage from "tier-3" to "tier-2" in these payors' drug pricing systems. The Company anticipates that amounts that it will agree to provide payers as rebates for tier-2 insurance coverage on sales of Vascepa will cost the Company less than costs under the Company's current rebate card program.

Financial Position

We believe that our cash and cash equivalents balance of $201.8 million at March 31, 2013 is sufficient to fund our operations for at least the next twelve months, including initial commercialization of Vascepa and the advancement of the REDUCE-IT cardiovascular outcomes study. In order to fund our commercialization plans, in particular to fully support the marketing and sale of Vascepa in the ANCHOR indication, we will likely need to enter into a strategic collaboration or raise additional capital.

Financial Operations Overview

Revenue. All of our revenue is derived from product sales of Vascepa, net of allowances, discounts, incentives, rebates, chargebacks and returns. We sell product to Distributors, primarily wholesalers, who resell the product to retail pharmacies for purposes of their reselling the product to fill patient prescriptions. In accordance with our revenue recognition policy, we do not recognize revenue from customers when we cannot reasonably estimate product returns. Because of our limited selling history, during the quarter ended March 31, 2013, we only recognized revenue on product that we could substantiate being resold by the Distributors for purposes of fulfilling prescriptions. The value of product shipped to Distributors, but not resold by the Distributors, even when invoices for such shipments have been collected in full, have been deferred until we have evidence that the product was resold or until we gain sufficient history with our customers to be able to estimate product returns. As of May 9, 2013, we had no material product returns.

Cost of Goods Sold. Cost of goods sold includes the cost of API for Vascepa on which revenue was recognized during period, as well as the associated costs for encapsulation, packaging, shipment, supply management, insurance and quality assurance. The cost of the API included in cost of goods sold reflects the average cost method of inventory valuation and relief. This average cost reflects the actual purchase price of Vascepa API, all of which through March 31, 2013 was from Nisshin Pharma, Inc., or Nisshin, our first approved API supplier. No inventory from BASF or Chemport, which API suppliers were approved in April 2013, was included in inventory at March 31, 2013 or in cost of goods sold for the quarter ended March 31, 2013.

Selling, General and Administrative Expense. Selling, general and administrative expense consists primarily of salaries and other related costs for personnel, including stock-based compensation expense, in our sales, marketing, executive, business development, finance and information technology functions. Other costs primarily include facility costs and professional fees for accounting, consulting and legal services.

Research and Development Expense. Research and development expense consists primarily of fees paid to professional service providers in conjunction with independent monitoring of our clinical trials and acquiring and evaluating data in conjunction with our clinical trials, fees paid to independent researchers, costs of qualifying unapproved contract manufacturers, services expenses incurred in developing and testing

products and product candidates, salaries and related expenses for personnel, including stock-based compensation expense, costs of materials, depreciation, rent, utilities and other facilities costs. In addition, research and development expenses include the cost to support current development efforts, including patent costs and milestone payments. We expense research and development costs as incurred.

Interest and Other Income (Expense), Net. Interest expense consists of interest incurred under lease obligations, interest incurred under our 3.5% exchangeable debt and interest incurred under our December 2012 financing arrangement with BioPharma Secured Debt Fund II Holdings Cayman LP, or BioPharma. Interest expense under our 3.5% exchangeable debt includes the amortization of the conversion option related to our exchangeable debt, the amortization of the related debt discount and debt obligation coupon interest. Interest income consists of interest earned on our cash and cash equivalents. Other income, net, consists primarily of foreign exchange gains and losses.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements and notes, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, we evaluate our estimates and judgments, including those related to derivative financial liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of our significant accounting policies is contained in Note 2 to our consolidated financial statements included elsewhere in this Quarterly Report. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition—We sell Vascepa principally to a limited number of Distributors that in turn resell Vascepa to retail pharmacies that subsequently resell it to patients and health care providers. Our policy is to recognize net product revenues from sales of Vascepa upon delivery to the Distributor as long as (i) there is persuasive evidence that an arrangement exists between us and the Distributor, (ii) collectability is reasonably assured and (iii) the price is fixed or determinable.

We began recognizing revenue from the sale of Vascepa following our commercial launch in the U.S in January 2013. Prior to 2013, we recognized no revenue from Vascepa sales. In accordance with GAAP, until we achieve sufficient history with respect to Vascepa sales such that we can reliably estimate returns based on sales to our Distributors, we have determined that sale of product to Distributors does not meet the criteria for revenue recognition at the time of shipment to our Distributors due to limited returns history which impedes the Company’s ability to estimate such returns. Consistent with industry practice, once we achieve sufficient history such that we can reliably estimate returns based on sales to our Distributors, we anticipate that revenues will be recognized based on sales to our Distributors. We currently defer Vascepa revenue recognition until the earlier of the product being resold by the wholesalers for purposes of fulfillment of patient prescriptions; or the expiration of the right of return (twelve months after the expiration date of the product). We also defer the related cost of product sales associated with the deferred revenues and record such deferred cost as finished goods inventory held by others until the associated revenue is recognized.

We have written contracts with our Distributors, and delivery occurs when a Distributor receives Vascepa. We evaluate the creditworthiness of each of our Distributors to determine whether revenues can be recognized upon delivery, subject to satisfaction of the other requirements, or whether recognition is required to be delayed until receipt of payment. In order to conclude that the price is fixed or determinable, we must be able to (i) calculate our gross product revenues from the sales to Distributors and (ii) reasonably estimate our net product revenues. We calculate gross product revenues based on the wholesale acquisition cost that we charge our Distributors for Vascepa. We estimate our net product revenues by deducting from our gross product revenues (a) trade allowances, such as invoice discounts for prompt payment and distributor fees, (b) estimated government and private payor rebates, chargebacks and discounts, such as Medicaid reimbursements, (c) reserves for expected product returns and (d) estimated costs of incentives offered to certain indirect customers, including patients.

Derivative Financial Liabilities—Derivative financial liabilities on initial recognition are recorded at fair value. They are subsequently held at fair value, with gains and losses arising for changes in fair value recognized in the statement of operations. The fair value of derivative financial liabilities is determined using valuation techniques; typically we use the Black-Scholes option pricing model. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Fluctuations in the assumptions used in the valuation model would result in adjustments to the fair value of the warrant derivative liability reflected on our balance sheet and, therefore, our statement of operations. If we issue shares to discharge the liability, the derivative financial liability is derecognized and common stock and additional paid-in capital are recognized on the issuance of those shares. For options and warrants treated as derivative financial liabilities, at settlement date the carrying value of the options and warrants are transferred to equity. The cash proceeds received from shareholders for additional shares are recorded in common stock and additional paid-in capital. We recorded a financial derivative related the change in control provision associated with our December 2012 debt financing. During 2013 we recorded a derivative on our forward foreign exchange contracts. The fair value of these derivatives could fluctuate based on changes in the assumptions used in the valuation models.

Inventory Capitalization—Prior to July 26, 2012, when we received approval from the FDA to market and sell Vascepa in the U.S. for the MARINE indication, Vascepa was considered a product candidate under development. All supply of Vascepa purchased prior to July 26, 2012 was not capitalized and instead charged as a component of research and development expense in the current period. After Vascepa was approved, we began to capitalize inventory purchased from the supplier approved in the NDA. As of March 31, 2013, only one of our API suppliers was approved for use by the FDA. We have additional supply agreements with three other suppliers (BASF, Chemport and Slanmhor). In April 2013, the FDA approved our sNDAs covering Chemport and BASF as additional Vascepa API suppliers and we will capitalize subsequent purchases from them. We are working with Slanmhor to pursue FDA approval for Slanmhor to manufacture Vascepa API. Until an API supplier is approved, all Vascepa API purchased from such supplier is included as a component of research and development expense. Upon sNDA approval of each additional

supplier, we plan to capitalize subsequent Vascepa API purchases from such supplier as inventory. Purchases of Vascepa API received and expensed before such regulatory approvals will not be subsequently capitalized, and all such purchases will be quarantined and not used for commercial supply until such time as the sNDA for the supplier that produced the API is approved.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by FASB and are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued accounting pronouncements will not have a material impact on consolidated financial position, results of operations, and cash flows, or do not apply to our operations.

Results of Operations

Comparison of Three Months Ended March 31, 2013 versus March 31, 2012

Revenue. We recorded revenue of $2.3 million during the three months ended March 31, 2013. We commenced our full commercial launch of Vascepa in the United States for use in the MARINE indication on January 28, 2013. We recorded no revenue in 2012. All of our revenue in the three months ended March 31, 2013 was derived from product sales of Vascepa, net of allowances, discounts, incentives, rebates, chargebacks and returns.

We sell Vascepa to Distributors. In accordance with our revenue recognition policy, until we have more experience with the sale of Vascepa and can better estimate product returns, we currently recognize revenue only for product which has been resold by our Distributors for purposes of fulfillment of prescriptions. During the three month period ended March 31, 2013, we invoiced Distributors for $5.2 million, net of all applicable discounts and rebates, including a discount for a one-time initial stocking fees to incentivize the Distributors to stock Vascepa prior to launch. As of May 1, 2013, of the net $5.2 million amount invoiced for shipments prior to March 31, 2013, we collected $5.1 million, including $2.9 million received prior to March 31, 2013. We believe that the full amount invoiced through March 31, 2013 will be collected, net of applicable discounts. The excess of the amount billed and the amount recognized as revenue for the quarter ending March 31, 2013, net of applicable discounts and rebates, has been recorded as deferred revenue.

During the three months ended March 31, 2013, our net revenues included an adjustment for co-pay mitigation rebates provided by us to commercially insured patients. Such rebates are intended to offset the differential for patients of Vascepa not covered by commercial insurers at the time of launch on tier 2. Our cost for these co-payment mitigation rebates is up to $75 dollars per prescription filled during 2013. Commencing in March and April 2013, certain third-party payors added Vascepa to their tier 2 coverage, which results in lower co-payments for patients covered by these third-party payors. In connection with the start of such tier 2 coverage, we have agreed to pay customary rebates to these third-party payors on the resale of Vascepa to patients covered by these third-party payors.

As is typical for the pharmaceutical industry, the majority of Vascepa sales are to major commercial wholesalers which then resell Vascepa to retail pharmacies. Over 4,000 clinicians have written prescriptions for Vascepa and we are not aware of any clinician who is responsible for 10% or more of the aggregate prescriptions written for Vascepa.

Cost of Goods Sold. Cost of goods sold during the three months ended March 31, 2013 was $1.3 million, and includes the cost of API for Vascepa on which revenue was recognized during period, as well as the associated costs for encapsulation, packaging, shipment, supply management, insurance and quality assurance. The cost of the API included in cost of goods sold reflects the average cost of API included in inventory. This average cost reflects the actual purchase price of Vascepa API, as well as a portion of API carried at zero cost for material which was purchased prior to FDA approval of Vascepa on July 26, 2012. All API sold during the three months ended March 31, 2013 was sourced from a single API supplier. The contracted cost of supply from this API supplier for initial purchase volumes is higher than the contracted cost from our other API suppliers. Contracted purchase costs from this initial API supplier reflect that they were working with Amarin prior to commencement of the MARINE and ANCHOR clinical trials, and are anticipated to decline as additional API volume is purchased. As of March 31, 2013, our minimum purchase obligation with this supplier was reduced to $5.4 million. In the future, we anticipate making continued purchases from this initial supplier at substantially lower unit pricing than the pricing of the initial purchases from this supplier and to make additional lower unit cost purchases of Vascepa API from other API suppliers, including Chemport and BASF, both of which were approved by the FDA in April 2013 to produce Vascepa API. We expect that our API costs will be lower in the future due to recent improvements in foreign currency exchange rates and potential advantages derived from the geographical mix of its suppliers.

Selling, General and Administrative Expense. Selling, general and administrative expense for the three months ended March 31, 2013 was $39.3 million, versus $14.0 million in the prior year period, an increase of $25.3 million, or 181%. Selling, general and administrative expenses for the three months ended March 31, 2013 and 2012 are summarized in the table below (in thousands):

	Three Months Ended March, 31	
	2013	2012
Selling, general and administrative expenses, excluding non-cash expenses[1]	$35,658	$ 8,571
Non-cash stock based compensation expense [2]	4,060	3,082
Non-cash warrant related compensation (income) expense [3]	(451)	2,374
	$39,267	$14,027

(1) Selling, general and administrative expense, excluding non-cash compensation charges for stock compensation and warrants, for the three months ended March 31, 2013 was $35.7 million, versus $8.6 million in the prior year period, an increase of $27.1 million, or 315%. The increase was due primarily to cost increases in 2013 of $12.8 million for sales force staffing, an increase of $14.3 for marketing program spending, and increased costs for other general and administrative costs incurred in connection with the initial commercialization of Vascepa. During the three months ended March 31, 2013, excluding stock-based compensation and warrant-related compensation, our selling expenses, marketing expenses and general and administrative expenses were approximately $12.8 million, $19.0 million and $3.9 million, respectively. The three months ended March 31, 2013 was the first quarter in which we were selling Vascepa and costs during this period including certain launch-related costs. In the prior year period, we had no sales expenses and were in the planning, preparing and market research stages with our marketing organization.

(2) Stock-based compensation expense for the three months ended March 31, 2013 was $4.1 million, versus $3.1 million in the prior year period, an increase of $1.0 million, or 32.3%, primarily reflecting an increase in the number of awards outstanding during the period ended March 31, 2013 versus the prior period, and also in the fair value of new option awards granted to attract and retain qualified employees.

(3) Warrant-related compensation income for the three months ended March 31, 2013 was $0.5 million, versus expense of $2.4 million in the prior year period. Warrant related compensation income for the period ended March 31, 2013 reflects a non-cash change in fair value of the warrant derivative liability associated with warrants issued in October 2009 to three of our former employees, net of warrants exercised. The increase in the fair value of the warrants for the three months ended March 31, 2013 is due primarily to a decrease in our stock price between December 31, 2012 and March 31, 2013. We anticipate that the value of this warrant derivative liability may increase or decrease from period to period based upon changes in the price of our common stock. Such non-cash changes in valuation could be significant as the history of our stock price has been volatile. The gain or loss resulting from such non-cash changes in valuation could have a material impact on our reported net income or loss from period to period. In particular, if the price of our stock increases, the change in valuation of this warrant derivative liability will add to our history of operating losses.

We expect selling, general and administrative costs in 2013 to increase over 2012 levels as we ramp up the launch of Vascepa, including costs for marketing programs, sales force staffing and support costs and investments in infrastructure. We anticipate that if revenues continue to grow during 2013, selling, general and administrative costs will also increase over current levels although we are not anticipating any significant increase in such costs until revenues increase significantly.

Research and Development Expense. Research and development expense for the three months ended March 31, 2013 was $21.8 million, versus $4.8 million in the prior year period, an increase of $17 million, or 354%. Research and development expenses for the three months ended March 31, 2013 and 2012 are summarized in the table below (in thousands):

	Three Months Ended March, 31	
	2013	2012
Research and development expenses, excluding non-cash expense (1)	$21,024	$3,964
Non-cash stock based compensation expense (2)	814	792
	$21,838	$4,756

(1) Research and development expense, excluding non-cash charges, for the three months ended March 31, 2013 was $21.0 million, versus $4.0 million in the prior year period, an increase of $17.0 million, or 425%. The increase in research and development expense was due primarily to $8.0 million from increased clinical costs in 2013 primarily for the REDUCE-IT cardiovascular outcomes study, $3.0 million included in research and development expense for purchases of Vascepa API from suppliers still undergoing qualification and $1.0 million for regulatory filing fees associated with the ANCHOR sNDA.

(2) Stock based compensation expense included within research and development was $0.8 million for each of the three months ended March 31, 2013 and 2012.

In December 2011, we announced that the first patient was dosed in the REDUCE-IT study. During 2012, as planned, we expanded the REDUCE-IT study to include clinical sites in multiple countries, activated clinical sites and enrolled patients. We believe that the patient enrollment phase of the REDUCE-IT study will be the most expensive phase of the study. We anticipate that REDUCE-IT study costs will continue to increase in 2013 as we seek to continue to enroll patients while also continuing our study of patients who were previously enrolled. During 2013, we anticipate incurring expense through our clinical research organization in connection with this trial of between $30 million and $40 million, inclusive of the amounts spent during the first three months of 2013.

The amount charged to research and development expense in 2013 for supply-related purchases cannot be reasonably predicted as it depends on the timing of supply shipped to us from Slanmhor and the timing of FDA approval of the Slanmhor and their facilities with respect to Vascepa production. We anticipate placing supply purchase orders with Slanmhor prior to FDA approval of their facilities provided that we are satisfied that the supply is produced in an appropriate cGMP environment and conforms to our Vascepa API specifications. All such purchases will be quarantined and not used for commercial supply until such time as the sNDA for the applicable supplier that produced the API is approved. After API suppliers are approved, supply purchases from them will be capitalized as a component of inventory. During the three months ended March 31, 2013, we acquired approximately $11.8 million of Vascepa API of which $8.8 million was capitalized to inventory as of March 31, 2013 and the balance of which was included as a component of research and development expense because it was received from suppliers which had not yet been qualified by the FDA. In April 2013, the FDA approved our sNDAs covering Chemport and BASF as additional Vascepa API suppliers. We are working with Slanmhor to pursue FDA approval for Slanmhor to manufacture Vascepa API. Until an API supplier is approved, all Vascepa API purchased from Slanmhor is included as a component of research and development expense.

We may also increase research and development costs in 2013 related to AMR102, our product candidate that combines Vascepa with a leading statin. The amount and timing of AMR102 development costs depends on our completion of evaluation of our study that we commenced in 2012 and internal resource allocation. We are currently reviewing the results of this study and considering further development and commercialization plans for this product candidate.

Gain (loss) on Change in Fair Value of Derivative Liabilities. Gain (loss) on change in fair value of derivative liabilities for the three months ended March 31, 2013 was a gain of $3.6 million versus a loss of $66.2 million in the prior year period. Gain (loss) on change in fair value of derivative liabilities in comprised of (i) the change in fair value of the warrant derivative liability, (ii) the change in fair value of the derivative liability related to the change in control provision associated with the December 2012 Biopharma financing and (iii) an unrealized loss on foreign exchange contracts of $0.7 million.

The warrant derivative liability is related to the change in fair value of warrants issued in conjunction with the October 2009 private placement. In October 2009 we issued 36.1 million warrants at an exercise price of $1.50 and recorded a $48.3 million warrant derivative liability, representing the fair value of the warrants issued. As these warrants have been classified as a derivative liability, they are revalued at each reporting period, with changes in fair value recognized in the statement of operations. The fair value of the warrant derivative liability at December 31, 2012 was $54.9 million and we recognized a $5.4 million gain on change in fair value of derivative liability for the period ended March 31, 2013 for these warrants. The fair value of the warrant derivative liability at December 31, 2011 was $123.1 million and we recognized a $66.2 million loss on change in fair value of derivative liability for the period ended March 31, 2012. The decrease or increase in the fair value of the warrant derivative liability is due primarily to the decrease or increase in the price of our common stock on the date of valuation.

Our December 2012 financing agreement contains a redemption feature whereby, upon a change of control, we would be required to pay $140 million, less any previously repaid amount, if the change of control occurs on or before December 31, 2013, or required to repay $150 million, less any previously repaid amount, if the change of control event occurs after December 31, 2013. The fair value of the derivative liability is recalculated at each reporting period using a probability-weighted model incorporating management estimates for potential change in control, and by determining the fair value of the debt with and without the change in control provision included. The difference between the two fair values of the debt was determined to be the fair value of the embedded derivative. At December 31, 2012, the fair value of the derivative was determined to be $14.6 million, and at March 31, 2013, the fair value of the derivative was determined to be $15.6 million. We recognized a $1.0 million loss on change in fair value of derivative liability at March 31, 2013.

We use foreign exchange forward contracts to hedge against changes in exchange rates for inventory purchases denominated in foreign currency. As of March 31, 2013 we held foreign exchange forward contracts with notional amounts totaling $15.0 million. As of March 31, 2013, we recognized expense of $0.7 million for a foreign exchange forward contract derivative liability, which was included as a component of change in fair value of derivative liabilities and in other current liabilities at March 31, 2013.

Interest (Expense) Income, net. Interest income includes interest earned on cash balances. Interest expense includes the amortization of the conversion option related to our exchangeable debt, the amortization of the related debt discount and the debt obligation coupon interest. In addition, we also recognize interest expense under our December 2012 financing agreement with Biopharma. During the three months ending March 31, 2013, we recognized interest expense of $4.8 million related to the exchangeable debt, of which $2.9 million represents amortization of the debt discount created upon allocation of proceeds to the conversion

option, $1.3 million represents contractual coupon interest, and $0.6 million represents the amortization of the discount from the underwriter's discounts and offering costs. For the three months ended March 31, 2013, we recorded $3.4 million and $0.7 million of cash and non cash interest expense, respectively, related to the Biopharma financing agreement. These recorded amounts related to the Biopharma financing reflect the Company's expectation that its Vascepa revenue levels will be high enough to support repayment to Biopharma in accordance with the repayment schedule without the optional reduction which is allowed to be elected by the Company if the threshold revenue levels are not achieved.

Other (Expense) Income, net. Other expense (income) primarily includes gains and losses on foreign exchange transactions.

Liquidity and Capital Resources

Our sources of liquidity as of March 31, 2013 include cash and cash equivalents of $201.8 million. Our projected uses of cash include the continued funding of the REDUCE-IT study, continued commercialization of Vascepa, working capital and other general corporate activities. Our cash flows from operating, investing and financing activities, as reflected in the consolidated statements of cash flows, are summarized in the following table (in millions):

	Three Months Ended March 31,	
	2013	2012
Cash (used in) provided by continuing operations:		
Operating activities	$ (59.6)	$ (17.7)
Investing activities	—	(0.1)
Financing activities	1.1	147.0
(Decrease) increase in cash and cash equivalents	$ (58.5)	$ 129.2

The Company estimates that during 2013 its cash and cash equivalents, similar to the three months ended March 31, 2013, will decrease on a quarterly basis. The Company estimates that the net amount of such future quarterly decreases in its cash and cash equivalents during 2013 will not be substantially more, and will more likely be less, than the $58.5 million decrease reported for the three months ended March 31, 2013.

On December 6, 2012 we entered into an agreement with Biopharma. Under this agreement, we granted to Biopharma a security interest in future receivables and all related rights to Vascepa, in exchange for $100 million received at the closing of the agreement which closing occurred in December 2012. We have agreed to repay Biopharma up to $150 million of future revenue and receivables. The first repayment under the agreement is a repayment of $2.5 million of interest due to Biopharma in November 2013, subject to the limitation described below. Additional quarterly repayments are due thereafter in

accordance with the following schedule: $2.5 million of interest in the first quarter of 2014; $8.0 million per quarter in each of the next four quarters, $10.0 million per quarter in each of the next four quarters, $15.0 million per quarter in each of the next four quarters and a final payment of $13.0 million due in May 2017. The quarterly repayments through the third quarter of September 2014 represent interest only. Quarterly payments do not begin to reduce the principal balance until the fourth quarter of 2014. These quarterly payments are subject to a quarterly threshold amount whereby, if a calculated threshold, based on quarterly Vascepa revenues, is not achieved, the quarterly payment payable in that quarter can at our election be reduced and with the reduction carried forward without interest for payment in a future period. Payment of such carried forward amounts are subject to similarly calculated threshold repayment amounts based on Vascepa revenue levels. Except upon a change of control in Amarin, the agreement does not expire until $150 million has been repaid. Under the agreement, upon a change of control, we would be required to pay $140 million, less any previously repaid amount, if the change of control occurs on or before December 31, 2013, or required to repay $150 million, less any previously repaid amount, if the change of control event occurs after December 31, 2013. We can prepay after October 1, 2013, an amount equal to $150 million less any previously repaid amount.

On January 9, 2012, Amarin, through our wholly-owned subsidiary Corsicanto Limited, or Corsicanto, a private limited company incorporated under the laws of Ireland, completed a private placement of $150.0 in aggregate principal amount of its 3.50% exchangeable senior notes due 2032. The proceeds we received from the January 2012 debt offering were approximately $144.3 million, net of fees and transaction costs. These notes were issued pursuant to an indenture dated as of January 9, 2012, by and among Corsicanto, us as guarantor, and Wells Fargo Bank, National Association, as trustee. The notes are the senior unsecured obligations of Corsicanto and are guaranteed by us. The notes bear interest at a rate of 3.50% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2012. The notes mature on January 15, 2032, unless earlier repurchased, redeemed or exchanged. On or after January 19, 2017, we may elect to redeem for cash all or a portion of the notes for the principal amount of the notes plus accrued and unpaid interest. On each of January 19, 2017, January 19, 2022 and January 19, 2027, the holders of the notes may require that we repurchase in cash the principal amount of the notes plus accrued and unpaid interest. At any time prior to January 15, 2032, upon certain circumstances, which circumstances include our issuing a notice of redemption to the note holders, the price of our shares trading above 130% of the exchange price, or certain other events defined in the note agreement, the holders of the notes may elect to convert the notes. The exchange rate for conversion is 113.4752 ADSs per $1,000 principal amount of the notes (equivalent to an initial exchange price of approximately $8.8125 per ADS), subject to adjustment in certain circumstances, including adjustment if we pay cash dividends. Upon exchange, the notes may be settled, at our election, subject to certain conditions, in cash, ADSs or a combination of cash and ADSs.

We believe our cash and cash equivalents will be sufficient to fund our operations for at least the next twelve months, including continued commercialization of Vascepa and advancement of the REDUCE-IT cardiovascular outcomes study. In order to fund our commercialization plans, in particular to fully support the marketing and sale of Vascepa in the ANCHOR indication, we will likely need to enter into a strategic collaboration or raise additional capital.

Contractual Obligations

The following table summarizes our contractual obligations at March 31, 2013 and the effects such obligations are expected to have on our liquidity and cash flows in future periods (in millions):

Payments Due by Period

	Total	2013	2014 to 2015	2016 to 2017	After 2017
Contractual Obligations:					
Purchase obligations (1)	$ 5.4	$ 5.4	$ —	$ —	$ —
Operating lease obligations (2)	4.1	0.7	1.6	1.6	0.2
Interest payment obligations—exchangeable debt (3)	5.2	2.6	2.6	—	—
Principle & Interest payment obligations—Biopharma (4)	150.0	2.5	64.5	83.0	—
Total contractual cash obligations	$164.7	$11.2	$68.7	$84.6	$ 0.2

(1) Represents minimum purchase obligations under our supply agreement with Nisshin as of March 31, 2013. We purchased $8.8 million during the three months ended March 31, 2013 and as of March 31, 2013 had additional purchase obligations of $5.4 million. In an effort to further expand production capacity at this supplier or through the addition of supplemental suppliers, we may make capital commitments to support their expansion, particularly if such commitments further reduce the cost to us of the manufactured product.

(2) Represents operating lease costs, primarily consisting of leases for facilities in Dublin, Ireland, Bedminster, NJ and Groton, CT.

(3) Represents interest payments due under the terms of our 3.5% exchangeable senior notes (“notes”) due 2032, assuming they remain outstanding for 24 months and have not been exchanged for ADRs. The above table does not reflect the repayment of the $150.0 million notes as they may be exchanged for ADRs.

(4) Represents principle and interest payments that we anticipate paying under the terms of the agreement entered into with Biopharma. Under this agreement, we granted to Biopharma a security interest in future receivables and all rights to Vascepa, in exchange for $100 million received at the closing of the agreement which closing occurred in December 2012. We have agreed to repay Biopharma up to $150 million of future revenue and receivables. The first repayment under the agreement is a payment of $2.5 million of interest due to Biopharma in November 2013, subject to the limitation described below. Additional quarterly repayments are due thereafter in accordance with the following schedule: $2.5 million of interest in the first quarter of 2014; $8.0 million per quarter in each of the next four quarters, $10.0 million per quarter in each of the next four quarters, $15.0 million per quarter in each of the next four quarters and a final payment of $13.0 million due in May 2017. The quarterly repayments

through the third quarter of September 2014 represent interest only. Quarterly payments do not begin to reduce the principal balance until the fourth quarter of 2014. These quarterly payments are subject to a quarterly threshold amount whereby, if a calculated threshold, based on quarterly Vascepa revenues, is not achieved, the quarterly payment payable in that quarter can at our election be reduced and with the reduction carried forward without interest for payment in a future period. The table above reflects payment in full of the scheduled quarterly amounts with such potential elected reductions.

We do not enter into financial instruments for trading or speculative purposes. At March 31, 2013, we had three forward exchange contracts with a nominal amount of $15.0 million to hedge payments made in foreign currency for API supply. As of March 31, 2013 we recorded an unrealized loss of $0.7 million under these contracts.

The above table also does not reflect potential material purchases under the API supply agreements with BASF, Chemport or the consortium led by Slanmhor. In April 2013, we announced the approval by the FDA of the sNDAs covering Chemport and BASF. These commercial supply agreements provide access to additional API supply that is incremental to supply from Nisshin Pharma, our other existing FDA-approved API supplier. Each of these additional API agreements contemplates a phased capacity expansion plan aimed at creating sufficient capacity to meet anticipated demand for API material for Vascepa following commercial launch. These API suppliers are self-funding these expansion plans with contributions from us. These agreements include requirements for the suppliers to qualify their materials and facilities. We anticipate incurring certain costs associated with the qualification of product produced by these suppliers. These agreements include annual purchase levels enabling us to maintain supply exclusivity with each respective supplier, and to prevent potential termination of the agreements. These minimum purchase levels do not contractually begin until the applicable sNDA for the supplier is approved by the FDA, if ever, and upon the achievement of manufacturing capacity expansion. Because Chemport and BASF were not approved until April 2013 and Slanmhor is not yet approved, these amounts are excluded from the above table. The two supply agreements entered into in 2011 with BASF and Chemport also include (i) development fees up to a maximum of $0.5 million, (ii) material commitments of up to $5.0 million for initial raw materials, which will be credited against future API purchases, and is refundable to us if a supplier does not successfully develop and qualify the API by a certain date, and (iii) a raw material purchase commitment of $1.1 million. Under these agreements, during the three months ended March 31, 2013 we purchased $1.6 million of Vascepa API from Chemport.

The agreement with Slanmhor, the fourth API supplier, provides for development fees of up to $2.3 million and a commitment of up to $15.0 million, which will be credited against future API material purchases. Under this agreement, during the three months ended March 31, 2013 we made payments of $3.9 million to Slanhmor related to stability and technical batches and advances on future API purchases.

Under the 2004 share repurchase agreement with Laxdale Limited, or Laxdale, upon approval of Vascepa by the FDA on July 26, 2012, we were required to make a milestone payment to Laxdale of £7.5 million. We made this payment in 2012 and capitalized this Laxdale milestone ($11.6 million on July 26, 2012) as a component of other long term assets. This long-term asset is being amortized over the estimated useful life of the intellectual property we acquired from Laxdale and we recognized amortization expense of $0.2 million during the three months ended March 31, 2013. Also under the Laxdale agreement, upon receipt of marketing approval in Europe for the first indication for Vascepa (or first indication of any product containing Amarin Neuroscience intellectual property acquired from Laxdale in 2004), we must make an aggregate stock or cash payment to the former shareholders of Laxdale (at the sole option of each of the sellers) of £7.5 million (approximately $11.4 million at March 31, 2013). Also under the Laxdale agreement, upon receipt of a marketing approval in the U.S. or Europe for a further indication of Vascepa (or further indication of any other product using Amarin Neuroscience intellectual property), we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of £5 million (approximately $7.6 million at March 31, 2013) for each of the two potential market approvals (i.e. £10 million maximum, or approximately $15.2 million at March 31, 2013).

In addition to the obligations in the table above, we have approximately $0.8 million of liability for uncertain tax positions that have been recorded in long-term liabilities at March 31, 2013. We are not able to reasonably estimate in which future periods these amounts will ultimately be settled.

Off-Balance Sheet Arrangements

We do not have any special purpose entities or other off-balance sheet arrangements.

Shelf Registration Statement

On March 29, 2011, we filed with the SEC a universal shelf registration statement on Form S-3 (Registration No. 333-173132), which provides for the offer, from time to time, of an indeterminate and unlimited amount of: ordinary shares, which may be represented by American Depositary Shares; preference shares, which may be represented by American Depositary Shares; senior or subordinated debt securities; warrants to purchase any of these securities; and any combination of these securities, individually or as units. In addition, if we identify any security holder(s) in a prospectus supplement, they may also offer identified securities under this registration statement although we will not receive any of the proceeds from the sale of securities by any of these selling security holders. This universal shelf registration statement was automatically effective upon its filing. The addition of any newly issued equity securities into the market may be dilutive to existing stockholders and new issuances by us or sales by our selling security holders could have an adverse effect on the price of our securities.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

There have been no material changes with respect to the information appearing in PART II, Item 7A “Quantitative and Qualitative Disclosures about Market Risk” of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2013.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities and Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of March 31, 2013, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of March 31, 2013, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2013, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, other than new controls added related to revenue recognition and cost of goods sold.

PART II

Item 1. *Legal Proceedings*

In the ordinary course of business, we are from time to time involved in lawsuits, claims, investigations, proceedings, and threats of litigation relating to intellectual property, commercial arrangements and other matters. While the outcome of these proceedings and claims cannot be predicted with certainty, as of March 31, 2013, we were not party to any legal or arbitration proceedings that may have, or have had in the recent past, significant effects on our financial position or profitability. No governmental proceedings are pending or, to our knowledge, contemplated against us. We are not a party to any material proceedings in which any director, member of senior management or affiliate of ours is either a party adverse to us or our subsidiaries or has a material interest adverse to us or our subsidiaries.

Item 1A. *Risk Factors*

This Quarterly Report on Form 10-Q contains forward-looking information based on our current expectations. Because our actual results may differ materially from any forward-looking statements that we make or that are made on our behalf, this section includes a discussion of important factors that could affect our actual future results, including, but not limited to, our capital resources, our ability to successfully commercially launch Vascepa, the progress and timing of our clinical programs, the safety and efficacy of our product candidates, risks associated with regulatory filings, risks associated with determinations made by regulatory agencies, the potential clinical benefits and market potential of our product candidates, commercial market estimates, future development efforts, patent protection, effects of healthcare reform, reliance on third parties, and other risks set forth below.

Those risk factors below denoted with a "" are newly added or have been materially updated from our Annual Report on 10-K filed with the SEC on February 28, 2013.*

Risks Related to the Commercialization and Development of Vascepa

We are dependent upon the success of Vascepa, which only recently obtained FDA approval and launched commercially in the MARINE indication.

As a result of our reliance on a single product and our primary focus on the U.S. market in the near-term, much of our near-term results and value as a company depends on our ability to execute our commercial strategy for Vascepa in the United States, which we only recently launched in January 2013. If commercialization efforts for Vascepa in the MARINE indication or, if approved, the ANCHOR indication, are not successful, our business will be materially and adversely affected. Even if we are able to develop additional products from our research and development efforts, the development time cycle for products typically takes several years. This restricts our ability to respond to adverse business conditions for Vascepa. If we are not successful in developing any future product or products, or if there is not adequate demand for Vascepa or the market for such product develops less rapidly than we anticipate, we may not have the ability to effectively shift our resources to the development of alternative products or do so in a timely manner without suffering material adverse effects on our business. As a result, the lack of alternative products we develop could constrain our ability to generate revenues and achieve profitability.

* ***We recently launched Vascepa in the MARINE indication in the United States with our own, newly established sales and marketing teams and distribution channels and we may not be successful. Historical results may not be consistent with or predictive of future results.***

In late January 2013, we began selling and marketing Vascepa in the United States through our own, newly established sales and marketing teams and through a newly established third-party commercial distribution infrastructure. We hired key personnel in these areas over the last several years and hired and trained a professional sales force in early January 2013. The commercial launch of a new pharmaceutical product is a complex undertaking for a company to manage, and we have very limited experience as a company operating in this area. Factors related to building and managing our own sales and marketing organization that can inhibit our efforts to successfully commercialize Vascepa on our own include:

- our inability to attract and retain adequate numbers of effective sales and marketing personnel;
- our inability to adequately train our sales and marketing personnel, in particular as it relates to various healthcare regulatory requirements applicable to the marketing and sale of pharmaceutical products, and our inability to adequately monitor compliance with these requirements;
- the inability of our new sales personnel, working for us as a new market entrant, to obtain access to or persuade adequate numbers of physicians to prescribe Vascepa;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with operating a new independent sales and marketing organization.

In addition, we believe that investors should view the results for the first quarter of 2013 with caution, as data for this single and limited period may not be representative of a trend consistent with the results presented or otherwise predictive of future results. Seasonal fluctuations in pharmaceutical sales, for example, may affect future prescription trends of Vascepa. We believe investors should consider our results for the first quarter of 2013 together with results over several future quarters, or longer, before making an assessment about potential future performance.

We have to compete with other pharmaceutical and life sciences companies to recruit, hire, train and retain sales and marketing personnel, and turnover in our sales force and marketing personnel could negatively affect sales of Vascepa. If we are not successful in our efforts to market and sell Vascepa on our own, market acceptance of Vascepa may be harmed, our anticipated revenues will be materially and negatively impacted, and we may need additional funding or seek a strategic licensing or co-promotion transaction as a means of raising additional funds.

Vascepa may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.

We only recently began marketing and selling Vascepa for use in the MARINE indication in January 2013. Vascepa may fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. If Vascepa does not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of Vascepa for the MARINE indication and any future approved indications will depend on a number of factors, including:

- the perceived efficacy and potential advantages of Vascepa, as compared to alternative treatments;
- our ability to offer Vascepa for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the scope, effectiveness and strength of marketing and distribution support, including our sales and marketing team;
- sufficient third-party coverage or reimbursement; and
- the prevalence and severity of any side effects.

**** We may not be able to compete effectively against our competitors' pharmaceutical products.***

The pharmaceutical industry is highly competitive. In attempting to achieve the widespread commercialization of Vascepa, we will face competition to the extent other pharmaceutical companies have on the market, or are able to develop, products for the treatment of similar indications. Potential competitors in this market include companies with greater experience in commercializing pharmaceutical products, and greater resources and name recognition than we have. 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 and also generic versions of these products. 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.

The success of Vascepa and any of our future products will also depend in large part on the willingness of physicians to prescribe these products to their patients. Vascepa will, and 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 prescriptions for Vascepa or any future product, 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 potential competitors both in the United States and Europe include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies, and specialized cardiovascular treatment companies. These companies include GlaxoSmithKline plc, which currently markets Lovaza, a prescription-only omega-3 fatty acid indicated for patients with severe hypertriglyceridemia, and Abbott Laboratories, which currently markets Tricor and Trilipix for the treatment of severe hypertriglyceridemia and mixed dyslipidemia and Niaspan, which is primarily used to raise HDL-C, but is also used to lower triglycerides. In March 2011, Pronova BioPharma Norge AS, now owned by BASF, which owns the patents for Lovaza, entered into an agreement with Apotex Corp. and Apotex Inc. to settle their patent litigation in the United States related to Lovaza. Pursuant to the terms of the settlement agreement, Pronova granted Apotex a license to enter the United States market with a generic version of Lovaza in the first quarter of 2015, or earlier depending on circumstances. We expect Apotex to compete against us as well. Other companies are also seeking to introduce generic versions of Lovaza. These competitors have greater resources than we do, including financial, product development, marketing, personnel and other resources.

In addition, we are aware of other pharmaceutical companies that are developing products that, if approved, would compete with Vascepa. These include a free fatty acid form of omega-3 (comprised of 55% EPA and 20% DHA) that is being developed by Omthera Pharmaceuticals, which in April 2012 announced its top-line Phase 3 clinical trial results and indicated that it plans to submit an NDA during 2013 for the treatment of hypertriglyceridemia. We also understand that another company, Trygg Pharma AS, has completed a Phase 3 study of an omega-3 based drug candidate for hypertriglyceridemia, but we believe Trygg has not yet announced results from that study. It is possible that Trygg Pharma has filed for FDA approval of its product candidate. In addition, Acasti Pharma, a subsidiary of Neptune Technologies & Bioresources Inc., announced in late 2012 that it intends to conduct a Phase 3 clinical program to assess the safety and efficacy of its omega-3 prescription drug candidate derived from krill oil for the treatment of hypertriglyceridemia. We believe Resolvyx Pharmaceuticals and Catabasis Pharmaceuticals are also developing potential treatments for hypertriglyceridemia based on omega-3 fatty acids but, to our knowledge, neither has initiated a Phase 2 clinical trial of its product. In addition, we are aware that Essentialis, Inc is developing a controlled release diazoxide product for the treatment of hypertriglyceridemia and that Matinas BioPharma, Inc. is developing an omega-3-based therapeutic for the treatment of severe hypertriglyceridemia and mixed dyslipidemia. Essentialis, Inc. has reported that they have completed Phase 2 clinical studies with its product. Matinas BioPharma, Inc. has reported that it is preparing to file an Investigational New Drug Application with the FDA and conduct a human study in 2013.

Vascepa will also face competition from dietary supplement companies marketing naturally occurring omega-3 fatty acids as nutritional supplements. We cannot be sure physicians will view the FDA-approved prescription-only status, and EPA-only purity of Vascepa as having a superior therapeutic profile to naturally occurring omega-3 fatty acids and dietary supplements.

**** Competitors may seek approval of generic versions of Vascepa.***

In April 2013, the FDA published draft guidance for companies that may seek to develop generic versions of Vascepa. If an application for a generic version of Vascepa were filed and if NCE exclusivity is not granted to Vascepa, the FDA may accept the filing for review and we would likely engage in costly litigation with the applicant to protect our patent rights. If the generic filer is ultimately successful in patent litigation against us, meets the requirements for a generic version of Vascepa to the satisfaction of the FDA (after the applicable regulatory exclusivity period and, typically, the litigation-related 30-month stay period expire), and is able to supply the product in significant commercial quantities, the generic company could, with the market introduction of a generic version of Vascepa, limit our U.S. sales, which would have an adverse impact on our business and results of operations.

Vascepa is a prescription-only omega-3 fatty acid. Omega-3 fatty acids are also marketed by other companies as non-prescription dietary supplements. As a result, Vascepa would be subject to non-prescription competition and consumer substitution.

Our only current product, Vascepa, is a prescription-only omega-3 fatty acid. Mixtures of omega-3 fatty acids are naturally occurring substances contained in various foods, including fatty fish. Omega-3 fatty acids are also marketed by others as non-prescription dietary supplements. We cannot be sure physicians will view the pharmaceutical grade purity of Vascepa as having a superior therapeutic profile to naturally occurring omega-3 fatty acids and dietary supplements. To the extent the price of Vascepa is significantly higher than the prices of commercially available omega-3 fatty acids marketed by other companies as dietary supplements (through that lack of coverage by insurers or otherwise), physicians may recommend these commercial alternatives instead of writing prescriptions for Vascepa or patients may elect on their own to take commercially available omega-3 fatty acids. Either of these outcomes may adversely impact our results of operations by limiting how we price our product and limiting the revenue we receive from the sale of Vascepa due to reduced market acceptance.

If we are not successful marketing and selling Vascepa on our own, we may need to find collaborative partners to help market and sell the product.

If we are not successful marketing and selling Vascepa on our own, we may need to find collaborative partners to help market and sell the product or otherwise outsource these functions to third parties. Until such time as we choose to, and actually do, complete a strategic transaction with a third party to market and sell Vascepa, if ever, we will continue to market and sell Vascepa on our own. We are actively exploring collaboration opportunities for the continued marketing and sale of Vascepa as we approach the potential approval of Vascepa in the ANCHOR indication, assuming its regulatory approval.

We may not be successful in finding a collaborative partner to help market and sell Vascepa, or may be delayed in doing so, if we determine such a collaborative partner is necessary, in which case we may not receive revenue to the extent that we currently anticipate. We face significant competition in seeking appropriate collaborators, and these collaborations are complex and time-consuming to negotiate and document. We may not be able to negotiate collaborations on acceptable terms, or at all. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If that were to occur, we may have to curtail the continued development of Vascepa for approval for additional indications beyond ANCHOR or increase our planned expenditures and undertake additional development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we will need to obtain additional capital, which may not be available to us on acceptable terms, or at all, or which may not be possible due to our other financing arrangements, including our Purchase and Sale Agreement with Biopharma Secured Debt Fund II Holdings Cayman, L.P., or Biopharma. If we cannot raise sufficient funds, we may not be able to market and sell Vascepa effectively, and generate as much product revenue, as we could under collaboration.

**** Our ability to generate increased revenue depends, in part, on FDA approval for the use of Vascepa in the ANCHOR indication in the United States and potentially on other regulatory approvals outside the United States, and we may be delayed in obtaining, or never obtain, such approvals.***

The costs involved in obtaining regulatory approvals for pharmaceutical products can be substantial. While we are currently marketing Vascepa for use in the MARINE indication in the United States, our ability to commercialize Vascepa in the ANCHOR indication in the United States or market Vascepa for either indication outside of the United States is dependent upon receiving additional regulatory approvals. In April 2013, the FDA accepted our Supplemental New Drug Application, or sNDA, which seeks approval for the use of Vascepa in the ANCHOR indication, and the FDA has assigned the sNDA a Prescription Drug User Fee Act, or PDUFA, date of December 20, 2013 for the completion of its review. The PDUFA date is the goal date for the FDA to complete its review of the sNDA. However, there can be no assurance that the FDA will complete its review of the sNDA by this date. Additionally, the FDA could deny approval of our sNDA and require additional testing or data. If the FDA takes any of these actions, they could have a material adverse effect on our operations and financial condition, including our ability to reach profitability.

Even if we obtain additional regulatory approvals for Vascepa, the timing or scope of any approvals may prohibit or reduce our ability to commercialize the product successfully. For example, if the approval process for the ANCHOR indication takes too long, we may miss market opportunities and give other companies the ability to develop competing products or establish market dominance. Additionally, the terms of any approvals, including the approval received from the FDA in July 2012 for the MARINE indication, may prove to not have the scope or breadth needed for us to successfully commercialize Vascepa or become profitable.

Our SPAs with the FDA are not guarantees of FDA approval of Vascepa for the proposed ANCHOR and REDUCE-IT indications.

A Special Protocol Assessment, or SPA, is an evaluation by the FDA of a protocol with the goal of reaching an agreement that the Phase 3 trial protocol design, clinical endpoints, and statistical analyses are acceptable to support regulatory approval of the drug product candidate with respect to effectiveness for the indication studied. The ANCHOR trial was, and the REDUCE-IT trial is, being conducted under an SPA with the FDA. The FDA agreed that, based on the information we submitted to the agency, the design and planned analysis of the ANCHOR

trial is adequate to support use of the conducted study as the primary basis for approval with respect to effectiveness. An SPA is generally binding upon the FDA except in limited circumstances, such as if the FDA identifies a substantial scientific issue essential to determining safety or efficacy after the study begins, or if the study sponsor fails to follow the protocol that was agreed upon with the FDA. Even though we have received regulatory approval of Vascepa for the MARINE indication, there is no assurance that the FDA will not identify a scientific issue and deem either or both of the ANCHOR or REDUCE-IT SPAs no longer binding. Moreover, any change to a study protocol after agreement with the FDA is reached can invalidate an SPA. While we amended the protocol for the ANCHOR trial after the initial SPA evaluation was completed, we obtained the FDA's evaluation of, and agreement to, the amendment. If, for example, the FDA does not consider the applicable SPA to be binding during its review of our regulatory approval applications, or if the FDA determines that we did not follow the SPAs appropriately, the agency could assert that additional studies or data are required to support approval of the application.

The commercial value to us of the MARINE and ANCHOR indications may be smaller than we anticipate.

There can be no assurance as to the adequacy for commercial success of the scope and breadth of the MARINE indication or, if approved, the ANCHOR indication. Even if we obtain marketing approval for additional indications, the FDA may impose restrictions on the product's conditions for use, distribution or marketing and in some cases may impose ongoing requirements for post-market surveillance, post-approval studies or clinical trials. Also, with regard to the MARINE indication and any other indications for which we may gain approval, the number of actual patients with the condition included in such approved indication may be smaller than we anticipate. If any such approved indication is narrower than we anticipate, the market potential for our product would suffer.

Our products will be subject to extensive post-approval government regulation.

Once a product candidate receives FDA marketing approval, numerous post-approval requirements apply. Among other things, the holder of an approved NDA 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.

With respect to sales and marketing activities, advertising and promotional materials must comply with FDA rules in addition to other 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, or cGMPs. Application holders must obtain FDA approval for product and manufacturing changes, depending on the nature of the change. We may also be subject, directly or indirectly through our customers and partners, to various fraud and abuse laws, including, without limitation, the U.S. Anti-Kickback Statute, U.S. False Claims Act, and similar state laws, which impact, among other things, our proposed sales, marketing, and scientific/educational grant programs. If we participate in the U.S. Medicaid Drug Rebate Program, the Federal Supply Schedule of the U.S. Department of Veterans Affairs, or other government drug programs, we will be subject to complex laws and regulations regarding reporting and payment obligations. All of these activities are also potentially subject to U.S. federal and state consumer protection and unfair competition laws. Similar requirements exist in many 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 or our potential partners 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 or our potential partners must also compete against other products in qualifying for coverage and reimbursement under applicable third party payment and insurance programs.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products. If we are found to have improperly promoted off-label uses, we may become subject to significant fines and other liability.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products. In particular, a product may not be promoted for uses that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. Even though we received marketing approval for Vascepa for the MARINE indication only, physicians may nevertheless prescribe Vascepa to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant government fines and other related liability. For example, the Federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

In addition, incentives exist under applicable laws that encourage competitors, employees and physicians to report violations of rules governing promotional activities for pharmaceutical products. These incentives could lead to so-called whistleblower lawsuits as part of which such persons seek to collect a portion of moneys allegedly overbilled to government agencies due to, for example, promotion of pharmaceutical products beyond labeled claims. These incentives could also lead to suits that we have mischaracterized a competitor's product in the marketplace and may, as a result, be sued for alleged damages to our competitors. Such lawsuits, whether with or without merit, are typically time-consuming and costly to defend. Such suits may also result in related shareholder lawsuits, which are also costly to defend.

The REDUCE-IT cardiovascular outcomes trial may fail to show that Vascepa can reduce major cardiovascular events in an at-risk patient population on statin therapy, and the long-term clinical results of Vascepa may not be consistent with the clinical results we observed in our Phase 3 clinical trial, in which case our sales of Vascepa may then suffer.

In accordance with the SPA for our MARINE and ANCHOR trials, efficacy was evaluated in these trials compared to placebo at twelve weeks. No placebo-controlled studies have been conducted regarding the long-term effect of Vascepa on lipids, and no outcomes study has been conducted evaluating Vascepa. The REDUCE-IT study is designed to evaluate the efficacy of Vascepa in reducing major cardiovascular events in an at-risk patient population on statin therapy.

Outcomes studies of certain other lipid modifying therapies have failed to achieve the endpoints of such studies. For example, in September 2012, researchers published in the *Journal of the American Medical Association*, or *JAMA*, the results of a retrospective meta-analysis of twenty previously conducted studies regarding the use of omega-3 supplements across various patient populations. This meta-analysis suggested that the use of such supplements was not associated with a lower risk of all-cause death, cardiac death, sudden death, heart attack, or stroke. We believe the results of the JAMA meta-analysis may not be directly applicable to the use of Vascepa over time. For instance, nineteen of the twenty studies included in the JAMA meta-analysis involved the use of omega-3 supplements containing a mixture of EPA and DHA, and most were evaluated at relatively lower doses. Vascepa is comprised of highly-pure ethyl-EPA, and has been approved by the FDA for use in patients with severe hypertriglyceridemia at a dose of 4 grams per day. The only other outcomes study involving the use of a highly-pure formulation of ethyl-EPA, called the Japan EPA Lipid Intervention Study (JELIS), suggested that use of a highly-pure formulation of ethyl-EPA in Japan, when used in conjunction with statins, reduced cardiovascular events by 19% compared to the use of statins alone.

Although we believe the results of the JAMA meta-analysis and other studies are not directly applicable to the potential long-term clinical experience with Vascepa, there can be no assurance that the endpoints of the REDUCE-IT cardiovascular outcomes study will be achieved or that the lipid modifying effects of Vascepa in REDUCE-IT or any other study of Vascepa will not be subject to variation beyond twelve weeks. If the REDUCE-IT trial fails to achieve its clinical endpoints or if the results of these long-term studies are not consistent with the 12-week clinical results, it could prevent us from expanding the label of any approved product or even call into question the efficacy of any approved product.

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

The success of our research and development efforts is dependent in part upon our ability, and the ability of our partners or potential partners, to meet regulatory requirements in the jurisdictions where we or our partners or potential partners ultimately intend to sell such products once approved. 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 and the timing of obtaining marketing approval from regulatory authorities may be delayed by many factors, including:

- the lack of efficacy during clinical trials;
- 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 or preclinical studies;
- the emergence of unforeseen safety issues in clinical or preclinical studies;
- delay, suspension, or termination of a trial by the institutional review board responsible for overseeing the study at a particular study site;
- unanticipated changes to the requirements imposed by regulatory authorities on the extent, nature or timing of studies to be conducted on quality, safety and efficacy; 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 or potential partners conduct may not provide sufficient safety and efficacy data to obtain the requisite regulatory approvals for product candidates. The failure of clinical trials to demonstrate safety and efficacy 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. For example, the efficacy results of our Vascepa Phase 3 clinical trials for the treatment of Huntington’s disease were negative. As a result, we stopped development of that product candidate, revised our clinical strategy and shifted our focus to develop Vascepa for use in the treatment of cardiovascular disease.

Any approvals that are obtained may be limited in scope, may require additional post-approval studies or may require the addition of labeling statements focusing on product safety that could affect the commercial potential for our product candidates. Any of these or similar circumstances 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 or similar use restrictions. The discovery of previously unknown problems with a product or in connection with the manufacturer of products 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.

Legislative or regulatory reform of the health care system in the United States and foreign jurisdictions may affect our ability to profitably sell Vascepa.

Our ability to commercialize our future products successfully, alone or with collaborators, will depend in part on the extent to which coverage and reimbursement for the products will be available from government and health administration authorities, private health insurers and other third-party payors. The continuing efforts of the U.S. and foreign governments, insurance companies, managed care organizations and other payors of health care services to contain or reduce health care costs may adversely affect our ability to set prices for our products which we believe are fair, and our ability to generate revenues and achieve and maintain profitability.

Specifically, in both the United States and some foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could affect our ability to sell our products profitably. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the PPACA, enacted in March 2010, substantially changes the way healthcare is financed by both governmental and private insurers. Among other cost-containment measures, PPACA establishes:

- An annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents;
- A new Medicare Part D coverage gap discount program, in which pharmaceutical manufacturers who wish to have their drugs covered under Part D must offer discounts to eligible beneficiaries during their coverage gap period; and
- A new formula that increases the rebates a manufacturer must pay under the Medicaid Drug Rebate Program.

We expect further federal and state proposals and health care reforms to continue to be proposed by legislators, which could limit the prices that can be charged for the products we develop and may limit our commercial opportunity.

The continuing efforts of government and other third-party payors to contain or reduce the costs of health care through various means may limit our commercial opportunity. It will be time consuming and expensive for us to go through the process of seeking coverage and reimbursement from Medicare and private payors. Our products may not be considered cost effective, and government and third-party private health insurance coverage and reimbursement may not be available to patients for any of our future products or sufficient to allow us to sell our products on a competitive and profitable basis. Our results of operations could be adversely affected by PPACA and by other health care reforms that may be enacted or adopted in the future. In addition, increasing emphasis on managed care in the United States will continue to put pressure on the pricing of pharmaceutical products. Cost control initiatives could decrease the price that we or any potential collaborators could receive for any of our future products and could adversely affect our profitability.

In some foreign countries, including major markets in the European Union and Japan, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take 6 to 12 months or longer after the receipt of regulatory marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a pharmacoeconomic study that compares the cost-effectiveness of Vascepa to other available therapies. Such pharmacoeconomic studies can be costly and the results uncertain. Our business could be harmed if reimbursement of our products is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels.

As we evolve from a company primarily involved in research and development to a company also focused on establishing an infrastructure for commercializing Vascepa, we may encounter difficulties in managing our growth and expanding our operations successfully.

We only recently hired and trained a professional sales force of approximately 275 sales representatives and commenced our commercial launch of Vascepa in the MARINE indication in the United States in early January 2013. The process of establishing a commercial infrastructure is difficult, expensive and time-consuming. As our operations expand, we expect that we will need to manage additional relationships with various collaborative partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Our future financial performance and our ability to commercialize Vascepa and to compete effectively will depend, in part, on our ability to manage our future growth effectively. To that end, we must be able to manage our development efforts effectively, and hire, train, integrate and retain additional management, administrative and sales and marketing personnel. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company.

Risks Related to our Reliance on Third Parties

**** Our supply of product for commercial supply and clinical trials is dependent upon relationships with third party manufacturers and key suppliers.***

We have no in-house manufacturing capacity and rely on contract manufacturers for our clinical and commercial product supply. We cannot assure you that we will successfully manufacture any product we may develop, either independently or under manufacturing arrangements, if any, with our third party manufacturers. Moreover, if any manufacturer 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.

Any manufacturing problem, natural disaster affecting manufacturing facilities, 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. If our suppliers were unable to supply us with adequate supply of ethyl-EPA it would have a material adverse effect on our ability to continue to commercialize Vascepa.

We initially purchased all of our supply of the bulk compound (ethyl-EPA), which constitutes the only active pharmaceutical ingredient, or API, of Vascepa, from a single supplier, Nisshin Pharma, or Nisshin, located in Japan. Nisshin was approved by the FDA as a Vascepa API supplier as part of our FDA marketing approval for the MARINE indication in July 2012. In April 2013, we announced the approval by the FDA of Chemport, Inc. and BASF as additional Vascepa API suppliers. We now plan to use and purchase additional commercial supply from Chemport and BASF (formerly Equateq Limited) in addition to Nisshin. Each of the API manufacturers obtains supply of the key raw material to manufacture API from other third party sources of supply.

While we have contractual freedom to source the API for Vascepa and have entered into supply agreements with multiple suppliers who also rely on other third party suppliers of the key raw material to manufacture the API for Vascepa, Nisshin currently supplies a large majority of our API for Vascepa. Our strategy in adding API suppliers beyond Nisshin has been to expand manufacturing capacity and to partially mitigate the risk of reliance on one supplier Both Chemport and BASF continue to expand their API manufacturing capacity and bring to three the number of qualified worldwide suppliers of API for Vascepa.

Also, in December 2012 we announced the addition of an exclusive consortium of companies led by Slanmhor Pharmaceutical, Inc., or Slanmhor, to our planned API global supply chain for Vascepa. Slanmhor was spun-out from Ocean Nutrition Canada, or ONC, prior to the May 2012 acquisition of ONC by Royal DSM N.V., a global leader in life sciences and materials sciences. Amarin now has a total of four suppliers for Vascepa API to utilize in supporting the global commercialization of Vascepa, subject to appropriate regulatory approval of Slanmhor. We intend to submit an additional sNDA for Slanmhor after it successfully completes the qualification process.

Expanding manufacturing capacity and qualifying such capacity is difficult and subject to numerous regulations and other operational challenges. The resources of our suppliers are limited and costs associated with projected expansion and qualification can be significant. The resources of our suppliers vary. For example, Chemport, which was approved as one of our API supplier in April 2013, is a privately-held company and their commitment to Vascepa supply has required them to seek additional resources. There can be no assurance that the expansion plans of any of our suppliers will be successful. Our aggregate capacity to produce API is dependent upon the qualification of our API suppliers. Each of our API suppliers has outlined plans for potential further capacity expansion. If no additional API supplier is approved by the FDA, our API supply will be limited to the API we purchase from Nisshin, Chemport and BASF. If our third party manufacturing capacity is not expanded and compliant with application regulatory requirements, we may not be able to supply sufficient quantities of Vascepa to meet anticipated demand. We cannot assure you that we can contract with any future manufacturer on acceptable terms or that any such alternative supplier will not require capital investment from us in order for them to meet our requirements. Alternatively, our purchase of supply may exceed actual demand for Vascepa.

We cannot assure you that we can contract with any future manufacturer on acceptable terms or that any such alternative supplier will not require capital investment from us in order for them to meet our requirements.

We currently rely on two suppliers, Banner and Catalent, for the encapsulation of API for all capsules of Vascepa. While we have contractual freedom to source the API encapsulation for Vascepa elsewhere, Banner and Catalent are the only encapsulators approved by the FDA for encapsulation of API for Vascepa. There can be no guarantee that additional other suppliers with which we have contracted to encapsulate API will be qualified to manufacture the product to our specifications or that these and any future suppliers will have the manufacturing capacity to meeting anticipated demand for Vascepa. We cannot assure you that we can contract with any future manufacturer on acceptable terms or that any such alternative supplier will not require capital investment from us in order for them to meet our requirements.

We do not have sufficient experience with the commercial sale of Vascepa, and such inexperience may cause us to purchase too much or not enough supply to satisfy actual demand, which could have a material adverse effect on our financial results and financial condition.

Our agreements with our suppliers typically include minimum purchase obligations and limited exclusivity provisions. These purchases are generally made on the basis of rolling twelve-month forecasts which in part are binding on us and the balance of which are subject to adjustment by us subject to certain limitations. We have no experience with the commercial sale of Vascepa, and as such expectations regarding expected demand may be wrong. We may not purchase sufficient quantities of Vascepa to meet actual demand or our purchase of supply may exceed actual demand. In either case, such event could have a material adverse effect on our financial results and financial condition.

The manufacture and packaging of pharmaceutical products such as Vascepa are subject to FDA requirements and those of similar foreign regulatory bodies. If we or our third party manufacturers fail to satisfy these requirements, our product development and commercialization efforts may be materially harmed.

The manufacture and packaging of pharmaceutical products, such as Vascepa, are regulated by the FDA and similar foreign regulatory bodies and must be conducted in accordance with the FDA's current good manufacturing practices and comparable requirements of foreign regulatory bodies. There are a limited number of manufacturers that operate under these current good manufacturing practices regulations who are both capable of manufacturing Vascepa and willing to do so. Failure by us or our third party manufacturers to comply with applicable regulations, requirements, or guidelines could result in sanctions being imposed on us, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our products, delays, suspension or withdrawal of approvals, license revocation, seizures

or recalls of product, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business. For example, Nisshin plans to expand it capacity to supply API to us by further expanding their current facility. If we are not able to manufacture Vascepa to required specifications through Nisshin, Chemport and BASF, or other potential API suppliers, we may be delayed in successfully supplying the product to meet anticipated demand and our anticipated future revenues and financial results may be materially adversely affected.

Changes in the manufacturing process or procedure, including a change in the location where the product is manufactured or a change of a third party manufacturer, may require prior FDA review and approval of the manufacturing process and procedures in accordance with the FDA's current good manufacturing practices, or cGMPs. Any new facility may be subject to a pre-approval inspection by the FDA and would again require us to demonstrate product comparability to the FDA. There are comparable foreign requirements. This review may be costly and time consuming and could delay or prevent the launch of a product. For example, we have plans to file a supplemental NDA to add Slanmhor as an additional API supplier for Vascepa. If Slanmhor cannot establish, to the satisfaction of the FDA, that it is in substantial compliance with cGMPs, and that the products manufactured at its site meets FDA requirements, we may not be able to manufacture API from that site, our supply of API for Vascepa may be delayed, and our anticipated future revenues and financial results may be materially adversely affected if such supply can not be satisfied by our other three API suppliers.

Furthermore, the FDA and foreign regulatory agencies require that we be able to consistently produce the API and the finished product in commercial quantities and of specified quality on a repeated basis, including proven product stability, and document our ability to do so. This requirement is referred to as process validation. This includes stability testing, measurement of impurities and testing of other product specifications by validated test methods. If the FDA does not consider the result of the process validation or required testing to be satisfactory, the commercial supply of Vascepa may be delayed, or we may not be able to supply sufficient quantities of Vascepa to meet anticipated demand.

The FDA and similar foreign regulatory bodies may also implement new standards, or change their interpretation and enforcement of existing standards and requirements, for manufacture, packaging or testing of products at any time. If we are unable to comply, we may be subject to regulatory, civil actions or penalties which could significantly and adversely affect our business.

We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet established deadlines for the completion of such clinical trials.

Our reliance on third parties for clinical development activities reduces our control over these activities. However, if we sponsor clinical trials, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices, for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Our reliance on third parties does not relieve us of these responsibilities and requirements. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be delayed in obtaining regulatory approvals for our product candidates and may be delayed in our efforts to successfully commercialize our product candidates for targeted diseases.

Risks Related to our Intellectual Property and Regulatory Exclusivity

**** We are dependent on patents, proprietary rights and confidentiality to protect the commercial potential of Vascepa.***

Because of the significant time and expense involved in developing new products and obtaining regulatory approvals, it is very important to obtain patent and preserve 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:

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

As of the date of this Quarterly Report, we have announced that 22 patent applications in the United States have been either issued or allowed and more than 30 additional patent applications are pending in the United States. Of such 22 allowed and issued applications, we currently have

- 2 issued U.S. patents directed to a pharmaceutical composition of Vascepa in a capsule that have terms that expire in 2020 and 2030, respectively,
- 1 issued U.S. patent covering highly pure EPA which expires in 2021,
- 13 U.S. patents covering the use of Vascepa and potentially competitive products in either the MARINE or anticipated ANCHOR indication that have terms that expire in 2030, and
- 6 additional patent applications for which Notices of Allowance from the United States Patent and Trademark Office, or USPTO, have been published, each of which with terms that expire in 2030 and are related to the use of Vascepa and potentially competitive products in either the MARINE or anticipated ANCHOR indication.

A Notice of Allowance is issued after the USPTO makes a determination that a patent can be granted from an application. A Notice of Allowance does not afford patent protection until the underlying patent is issued by the USPTO. No assurance can be given that our issued patents and our pending patents, if and when issued, will prevent competitors from competing with Vascepa.

We are also pursuing patent applications related to Vascepa in multiple jurisdictions outside the United States, including an application for our MARINE method of use patent in Europe for which we received an Intention to Grant letter from the European Patent Office. We may be dependent in some cases upon third party licensors to pursue filing, prosecution and maintenance of patent rights or applications owned or controlled by those parties. It is possible that third parties will obtain patents or other proprietary rights that might be necessary or useful to us. In cases where third parties are first to invent a particular product or technology, or first to file after various provisions of the America Invents Act of 2011 went into effect on March 16, 2013, it is possible that those parties will obtain patents that will be sufficiently broad so as to prevent us from utilizing such technology or commercializing our current and future products.

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 or develop 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. If we were to initiate legal proceedings against a third party to stop such an infringement, such proceedings could be costly and time consuming, regardless of the outcome. No assurances can be given that we would prevail, and it is possible that, during such a proceeding, our patent rights could be held to be invalid, unenforceable or both. 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 parties subject to such confidentiality agreements 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 oppose our patent applications to delay the approval process or to challenge our granted patents, even if the opposition or challenge has little or no merit. Patent opposition proceedings and challenges are generally highly technical, time consuming and expensive to pursue. Were we to be subject to one or more patent oppositions or challenges, that effort could consume substantial time and resources, with no assurances of success, even when holding an issued patent.

Our issued patents and our pending patents, if and when issued, may not prevent competitors from competing with Vascepa.

We plan to vigorously defend our rights under issued patents. Other drug companies may challenge the validity, enforceability or both of the our patents and seek to design its products around our issued patent claims and gain marketing approval for generic versions of Vascepa or branded competitive products based on new clinical studies. The pharmaceutical industry is highly competitive and many of our competitors have greater experience and resources than we have. Any such competition could undermine sales, marketing and collaboration efforts for Vascepa, and thus reduce, perhaps materially, the revenue potential for Vascepa.

Even if we are successful in enforcing our issued patents, we may incur substantial costs and divert management's time and attention in pursuing these proceedings, which could have a material adverse effect on us. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion.

There can be no assurance that any of our pending patent applications relating to Vascepa or its use will issue as patents.

We have filed and are prosecuting numerous families of patent applications in the United States and internationally with claims designed to protect the proprietary position of Vascepa. For certain of these patent families, we have filed multiple patent applications. Collectively the patent applications include numerous independent claims and dependent claims. Several of our patent applications contain claims that are based upon what we believe are unexpected and favorable findings from the MARINE and ANCHOR trials. If granted, many of the resulting granted patents would expire in 2030 or beyond. However, no assurance can be given that any of our pending patent applications will be granted or, if they grant, that they will prevent competitors from competing with Vascepa.

Securing patent protection for a product is a complex process involving many legal and factual questions. The patent applications we have filed in the United States and internationally are at varying stages of examination, the timing of which is outside our control. The process to getting a patent granted can be lengthy and claims initially submitted are often modified in order to satisfy the requirements of the patent office. This process includes written and public communication with the patent office. The process can also include direct discussions with the patent examiner. There can be no assurance that the patent office will accept our arguments with respect to any patent application or with respect to any claim therein. The timing of the patent review process is independent of and has no effect on the timing of the FDA's review of our NDA or supplemental NDA submissions. We cannot predict the timing or results of any patent application. In addition, we may elect to submit, or the patent office may require, additional evidence to support certain of the claims we are pursuing. Providing such additional evidence could prolong the patent office's review of our applications and result in us incurring additional costs. We cannot be certain what commercial value any granted patent in our patent estate will provide to us.

**** If Vascepa is not granted new chemical entity exclusivity protection from the FDA our business may be materially harmed.***

Under Sections 505(c)(3)(E)(ii) and 505(j)(5)(F)(ii) of the Food Drug and Cosmetic Act, or FDCA, as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, as amended, or the Hatch-Waxman Amendments, a drug that is granted regulatory approval may be eligible for five years of marketing exclusivity in the United States following regulatory approval if that drug is classified as a new chemical entity, or NCE. A drug can be classified as a NCE if the FDA has not previously approved any other drug containing the same active moiety.

The FDA typically publishes a determination on the marketing exclusivity of recently approved products in a cumulative supplement to its Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book, mid-month in the month following the drug's approval. Vascepa was approved by the FDA in July 2012, but we have not yet been informed of a determination by the FDA on our pending exclusivity request for Vascepa. Since prior to FDA approval of the Vascepa new drug application, we have had an active dialogue with the FDA related to our marketing exclusivity request for Vascepa, which requested NCE status for Vascepa. In recent months, we have repeatedly followed up with the FDA seeking a determination. While we continue to believe our arguments in support of an NCE determination for Vascepa are strong, the FDA may not agree with our arguments. Based on our discussions with the FDA, we have not been told and do not know what determination the FDA will reach regarding the pending exclusivity request for Vascepa or when the FDA will make such determination. Based on our communications with the FDA, we cannot make a reliable prediction as to when the FDA will communicate a determination on the matter. There can be no assurance that Vascepa will be granted NCE exclusivity, or that the FDA will make a determination on the pending exclusivity request in a timely manner.

NCE marketing exclusivity, if granted, would preclude approval during the five-year exclusivity period of certain 505(b)(2) applications or abbreviated new drug applications submitted by another company for another version of the drug. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. In this case, Amarin may be afforded the benefit of a 30-month stay against the launch of such a competitive product that would extend from the end of the five-year exclusivity period, and may also be afforded other extensions under applicable regulations, including a six-month pediatric exclusivity extension or a judicial extension if applicable requirements are met. If we are not able to gain or exploit the period of marketing exclusivity, we may face significant competitive threats to our commercialization of these compounds from other manufacturers, including the manufacturers of generic alternatives. Further, even if Vascepa is considered to be a NCE and we are able to gain five-year marketing exclusivity, another company could challenge that decision to seek to overturn FDA's determination. Another company could also gain such marketing exclusivity under the provisions of the FDCA, as amended by the Hatch-Waxman Amendments, if such company can, under certain circumstances, complete a human clinical trial process and obtain regulatory approval of its product.

If Vascepa is not granted NCE marketing exclusivity, we expect it will be granted three years of new product exclusivity under the Hatch-Waxman Amendments. A three-year period of exclusivity is granted under the Hatch-Waxman Amendments for a drug product that contains an active moiety that has been previously approved when the application contains reports of new clinical investigations (other than bioavailability studies) conducted by the sponsor that were essential to approval of the application. Our MARINE trial was a new clinical investigation that was essential to the approval of our new drug application. We are entitled to at least three-year exclusivity even if the FDA determines that the EPA moiety was previously approved in Lovaza because our MARINE clinical investigation was essential for the approval of our new drug product, Vascepa.

Such three-year exclusivity protection would preclude the FDA from approving a marketing application for a duplicate of Vascepa, a product candidate that the FDA views as having the same conditions of approval as Vascepa (for example, the same indication and/or other conditions of use), or a 505(b)(2) NDA submitted to the FDA with Vascepa as the reference product, for a period of three years from the date of FDA approval, although the FDA may accept and commence review of such applications during the exclusivity period. Such three-year exclusivity grant would not prevent a company from challenging the validity of our patents at any time. In this case, Amarin may be afforded the benefit of a 30-month stay against the launch of such a competitive product that would extend from the period that Amarin responds to a pending patent challenge, and may also be afforded other extensions under applicable regulations, including a six-month pediatric exclusivity extension or a judicial extension if applicable requirements are met. This three-year form of exclusivity may also not prevent the FDA from approving an NDA that relies only on its own data to support the change or innovation.

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 will also rely upon trade secrets and know-how to help protect our competitive position. 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.

Risks Related to our Business

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 therapeutics to improve cardiovascular health. We cannot assure you that unforeseen problems will not develop with these technologies or applications or that any commercially feasible products will ultimately be developed by us.

We are subject to potential product liability.

Following the commercial launch of Vascepa, we will be subject to the potential risk of product liability claims relating to the manufacturing and marketing of Vascepa. Any person who is injured as a result of using Vascepa may have a product liability claim against us without having to prove that we were at fault.

In addition, we could be subject to product liability claims 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. We cannot guarantee that a product liability claim will not be asserted against us in the future.

We may become subject to liability in connection with the wind-down of our EN101 program.

In 2007, we purchased Ester Neurosciences Limited, an Israeli pharmaceutical company, and its lead product candidate, EN101, an AChE-R mRNA inhibitor for the treatment of myasthenia gravis, or MG, a debilitating neuromuscular disease. In connection with the acquisition, we assumed a license to certain intellectual property assets related to EN101 from the Yissum Research Development Company of The Hebrew University of Jerusalem.

In June 2009, in keeping with our decision to re-focus our efforts on developing improved treatments for cardiovascular disease and cease development of all product candidates outside of our cardiovascular disease focus, we amended the terms of our acquisition agreement with the original shareholders of Ester. Under the terms of this amendment, Amarin was released from all research and development diligence obligations contained in the original agreement and was authorized to seek a partner for EN101. The amendment agreement also provided that any future payment obligations payable by us to the former shareholders of Ester would be made only out of income received from potential partners. In connection with this amendment agreement, in August 2009 we issued 1,315,789 ordinary shares to the former Ester shareholders. Under the terms of this amendment agreement, the former Ester shareholders have the option of reacquiring the original share capital of Ester if we are unable to successfully partner EN101.

Following our decision to cease development of EN101, Yissum terminated its license agreement with us. In June 2011, Yissum announced that it had entered into a license agreement with BiolineRX Ltd for the development of EN101 in a different indication, inflammatory bowel disease.

We have received several communications on behalf of the former shareholders of Ester asserting that we are in breach of its amended agreement due to the fact that Yissum terminated its license and we failed to return shares of Ester, and assets relating to EN101, to the shareholders, as was required under certain circumstances under the amended agreement. We do not believe these circumstances constitute a breach of the amended agreement, but there can be no assurance as to the outcome of this dispute.

A change in our tax residence could have a negative effect on our future profitability.

Under current U.K. legislation, a company incorporated in England and Wales, or which is centrally managed and controlled in the U.K., is regarded as resident in the U.K. for taxation purposes. Under current Irish legislation, a company is regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland, or, in certain circumstances, if it is incorporated in Ireland. Where a company is treated as tax resident under the domestic laws of both the U.K. and Ireland then the provisions of article 4(3) of the Double Tax Convention between the U.K. and Ireland provides that such enterprise shall be treated as resident only in the jurisdiction in which its place of effective management is situated. We have sought to conduct our affairs in such a way so as to be resident only in Ireland for tax purposes by virtue of having our place of effective management situated in Ireland. Trading income of an Irish company is generally taxable at the Irish corporation tax rate of 12.5%. Non-trading income of an Irish company (e.g., interest income, rental income or other passive income), is taxable at a rate of 25%.

However, we cannot assure you that we are or will continue to be resident only in Ireland for tax purposes. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs, we could become, or be regarded as having become resident in a jurisdiction other than Ireland. Should we cease to be an Irish tax resident, we may be subject to a charge to Irish capital gains tax on our assets. Similarly, if the tax residency of any of our subsidiaries were to change from their current jurisdiction for any of the reasons listed above, we may be subject to a charge to local capital gains tax charge on the assets.

The loss of key personnel could have an adverse effect on 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. As we evolve from a development stage company to a commercial stage company we may experience turnover among members of our senior management team. We may have difficulty identifying and integrating new executives to replace any such losses. 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.

Risks Related to our Financial Position and Capital Requirements

We have a history of losses and anticipate that we will incur continued losses for an indefinite period of time.

We have not been profitable in any of the last five fiscal years. For the fiscal years ended December 31, 2012, 2011, and 2010, we reported losses of approximately $179.2 million, $69.1 million and $249.6 million, respectively, and we had an accumulated deficit at December 31, 2012 of $747.6 million. For the three months ended March 31, 2013 and 2012, we reported losses of approximately $62.2 million and $88.3 million, respectively, and we had an accumulated deficit at March 31, 2013 of $809.8 million. Substantially all of our operating losses resulted from costs incurred in connection with our research and development programs, from general and administrative costs

associated with our operations, and from non-cash losses on changes in the fair value of warrant derivative liabilities. Additionally, as a result of our significant expenses relating to research and development and to commercialization, we expect to continue to incur significant operating losses for an indefinite period, even after we begin to generate revenues from our commercialization of Vascepa. Because of the numerous risks and uncertainties associated with developing and commercializing pharmaceutical products, we are unable to predict the magnitude of these future losses. Our historic losses, combined with expected future losses, have had and will continue to have an adverse effect on our cash resources, shareholders' deficit and working capital. We expect our research and development expenses to be substantial for both 2013 and 2014 in connection with our REDUCE-IT cardiovascular outcomes study for Vascepa and other activities. In addition, we may incur significant sales, marketing, in-licensing and outsourced manufacturing expenses as we attempt to commercialize Vascepa. Our shift in focus from research and development to commercialization, and the changes in operating costs relating to that shift, will also require us to make changes to our accounting results and procedures, which may have an adverse effect on our reported revenue or profit, if any.

Although we began generating revenue from Vascepa in January 2013, we may never be profitable.

Our ability to become profitable depends upon our ability to generate revenue. In January 2013, we began to generate revenue from the marketing of Vascepa for use in the MARINE indication, but we may not be able to generate sufficient revenue to attain profitability. Our ability to generate profits on sales of Vascepa is subject to the market acceptance and commercial success of Vascepa and our ability to manufacture commercial quantities of Vascepa through third parties at acceptable cost levels, and may also depend upon our ability to enter into one or more strategic collaborations to effectively market and sell Vascepa.

Even though Vascepa has been approved by the FDA for marketing in the United States in the MARINE indication, it may not gain market acceptance or achieve commercial success and it may never be approved for the ANCHOR indication. In addition, we anticipate continuing to incur significant costs associated with commercializing Vascepa. We may not achieve profitability soon after generating product sales, if ever. If we are unable to generate sufficient product revenues, we will not become profitable and may be unable to continue operations without continued funding.

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

As a consequence of the many years developing Vascepa for commercialization and the recent commercial launch of Vascepa in the MARINE indication in the United States, our historical financial results do not form an accurate basis upon which investors should base their assessment of our business and prospects. In addition, we expect that our costs will increase substantially as we continue to commercialize Vascepa in the MARINE indication and seek to obtain additional regulatory approval of Vascepa in the ANCHOR indication, including the continuation of the REDUCE-IT cardiovascular outcomes study. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted and from that expected in the future. In addition, we have a limited history of obtaining regulatory approval for, and no demonstrated ability to successfully commercialize, a product candidate. Consequently, any predictions about our future performance may not be as accurate as they could be if we had a history of successfully developing and commercializing pharmaceutical products.

Our operating results are unpredictable and may fluctuate. If our operating results are below the expectations of securities analysts or investors, the trading price of our stock could decline.

Our operating results are difficult to predict and will likely fluctuate from quarter to quarter and year to year. Due to the recent approval by the FDA of Vascepa and the lack of historical sales data, Vascepa sales will be difficult to predict from period to period and as a result, you should not rely on Vascepa sales results in any period as being indicative of future performance, and sales of Vascepa may be below the expectation of securities analysts or investors in the future. We believe that our quarterly and annual results of operations may be affected by a variety of factors, including:

- the level of demand for Vascepa;
- the extent to which coverage and reimbursement for Vascepa is available from government and health administration authorities, private health insurers, managed care programs and other third-party payers;
- the timing, cost and level of investment in our sales and marketing efforts to support Vascepa sales and the resulting effectiveness of those efforts;
- additional developments regarding our intellectual property portfolio and regulatory exclusivity protections, if any; and
- the results of our sNDA application for the ANCHOR indication and the results of the REDUCE-IT study or post-approval studies for Vascepa.

We will require substantial additional resources to fund our operations. If we cannot find additional capital resources, we will have difficulty in operating as a going concern and growing our business.

We currently operate with limited resources. At March 31, 2013, we had cash and cash equivalents of approximately $201.8 million. We believe that our current resources will be sufficient to fund our projected operations for at least the next twelve months, which projected operations contemplate not only working capital and general corporate needs but also the recent commercial launch of Vascepa and the advancement of the REDUCE-IT cardiovascular outcomes study.

In order to fund our commercialization plans, in particular to fully support the launch, marketing and sale of Vascepa in the ANCHOR indication, we will likely need to enter into a strategic collaboration or raise additional capital. We will also need additional capital to fully complete our REDUCE-IT cardiovascular outcomes trial.

Our future capital requirements will depend on many factors, including:

- revenue generated from the commercial sale of Vascepa in the MARINE indication and, subject to FDA approval, the ANCHOR indication;
- the costs associated with commercializing Vascepa for the MARINE indication in the United States and for additional indications in the United States and in jurisdictions in which we receive regulatory approval, if any, including the cost of sales and marketing capabilities, and the cost and timing of securing commercial supply of Vascepa and the timing of entering into strategic collaboration with others relating to the commercialization of Vascepa, if at all, and the terms of any such collaboration;
- the continued cost associated with our REDUCE-IT cardiovascular outcomes study;
- the time and costs involved in obtaining additional regulatory approvals for Vascepa;
- the extent to which we continue to develop internally, acquire or in-license new products, technologies or businesses; and
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

If adequate funds are not available to us in amounts or on terms acceptable to us or on a timely basis, or at all, and we do not enter into a collaboration agreement to help support the commercialization of Vascepa, our commercialization efforts for Vascepa may suffer materially, and we may need to delay the advancement of the REDUCE-IT cardiovascular outcomes trial.

Continued negative economic conditions would likely have a negative impact on our ability to obtain financing on acceptable terms.

While we may seek additional funding through public or private financings, we may not be able to obtain financing on acceptable terms, or at all. There can be no assurance that we will be able to access equity or credit markets in order to finance our current operations or expand development programs for Vascepa, or that there will not be a further deterioration in financial markets and confidence in economies. We may also have to scale back or further restructure our operations. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our research or development programs or our commercialization strategies.

Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights.

To the extent we are permitted under our Purchase and Sale Agreement with Biopharma, we may seek additional capital through a combination of private and public equity offerings, debt financings and collaboration, strategic and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a shareholder.

As of March 31, 2012, there were warrants outstanding for the purchase of up to 9,866,826 American Depository Shares, or ADSs, each representing one of our ordinary shares, with a weighted average exercise price of $1.44 per share. We may issue additional warrants to purchase ADSs or ordinary shares in connection with any future financing we may conduct. In addition, on January 9, 2012, we issued $150 million in aggregate principal amount of 3.50% exchangeable senior notes due 2032, or the notes. The notes are exchangeable under certain circumstances into cash, our ADS, or a combination of cash and ADS, at our election, with a current exchange rate of 113.4752 ADS per $1,000 principal amount of notes. Although we intend to settle these notes in cash, if we elected physical settlement, the notes would initially be exchangeable into 17,021,280 ADS.

Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration, strategic alliance and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, Vascepa or product candidates beyond the rights we have already relinquised, or grant licenses on terms that are not favorable to us.

Potential business combinations or other strategic transactions may disrupt our business or divert management's attention.

On a regular basis, we explore potential business combination transactions, including an acquisition of us by a third party, exclusive licenses of Vascepa or other strategic transactions or collaborations with third parties. The consummation and performance of any such future transactions or collaborations will involve risks, such as:

- diversion of managerial resources from day-to-day operations;
- exposure to litigation from the counterparties to any such transaction, other third parties or our shareholders;
- misjudgment with respect to the value;
- higher than expected transaction costs; or
- an inability to successfully consummate any such transaction or collaboration.

As a result of these risks, we may not be able to achieve the expected benefits of any such transaction or collaboration or deliver the value thereof to our shareholders. If we are unsuccessful in consummating any such transaction or collaboration, we may be required to reevaluate our business only after we have incurred substantial expenses and devoted significant management time and resources.

Risks Related to Ownership of our ADSs and Common Shares

The price of our ADSs and common 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.

As of May 2, 2013 we had 150,683,131 common shares outstanding. As of May 2, 2013 there were 150,312,023 shares held as ADSs and 371,108 held as common shares (which are not held in the form of ADSs). In our October 2009 private placement we issued 66.4 million ADSs and warrants to purchase an additional 33.2 million 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. If any of our large investors, such as the participants in our October 2009 private placement, seek to sell substantial amounts of our ADSs, particularly if these sales are in a rapid or disorderly manner, or other investors perceive that these sales could occur, the market price of our ADSs could decrease significantly.

The market price of our ADSs and common shares may also be affected by factors such as:

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

Actual or potential sales of our common shares by our employees, including members of our senior management team, pursuant to pre-arranged stock trading plans could cause our stock price to fall or prevent it from increasing for numerous reasons, and actual or potential sales by such persons could be viewed negatively by other investors.

In accordance with the guidelines specified under Rule 10b5-1 of the Securities and Exchange Act of 1934 and our policies regarding stock transactions, a number of our directors and employees, including members of our senior management team, have adopted and may continue to adopt pre-arranged stock trading plans to sell a portion of our common stock. Generally, sales under such plans by members of our senior management team and directors require public filings. Actual or potential sales of our ADSs by such persons could cause the price of our ADSs to fall or prevent it from increasing for numerous reasons. For example, a substantial amount of our ADSs becoming available (or being perceived to become available) for sale in the public market could cause the market price of our ADSs to fall or prevent it from increasing. Also, actual or potential sales by such persons could be viewed negatively by other investors.

Failure to meet our obligations under our Purchase and Sale Agreement with Biopharma could adversely affect our financial results and liquidity.

Pursuant to our December 2012 Purchase and Sale Agreement with Biopharma, we are obligated to make payments to Biopharma based on the amount of our net product sales of Vascepa and any future products based on ethyl-EPA, or covered products, subject to certain quarterly caps.

Pursuant to this agreement, we may not, among other things: (i) incur indebtedness greater than a specified amount, which we refer to as the Indebtedness Covenant; (ii) pay a dividend or other cash distribution, unless we have cash and cash equivalents in excess of a specified amount after such payment; (iii) amend or restate our memorandum and articles of association unless such amendments or restatements do not affect Biopharma's interests under the transaction; (iv) encumber any of the collateral securing our performance under the agreement; and (v) abandon certain patent rights, in each case without the consent of Biopharma.

Upon a transaction resulting in a change of control of Amarin, as defined in the agreement, Biopharma will be automatically entitled to receive any amounts not previously paid, up to our maximum repayment obligation. As defined in the agreement, "change of control" includes, among other things, (i) a greater than 50 percent change in the ownership of Amarin, (ii) a sale or disposition of any collateral securing our debt with Biopharma and (iii) , unless Biopharma has been paid a certain amount under the indebtedness, the licensing of Vascepa to a third party for sale in the United States. The acceleration of the payment obligation in the event of a change of control transaction may make us less attractive to potential acquirers, and the payment of such funds out of our available cash or acquisition proceeds would reduce acquisition proceeds for our stockholders.

To secure our obligations under the agreement, we granted Biopharma a security interest in our rights in patents, trademarks, trade names, domain names, copyrights, know-how and regulatory approvals related to the covered products, all books and records relating to the foregoing and all proceeds of the foregoing, which we refer to as the collateral. If we (i) fail to deliver a payment when due and do not remedy that failure within specific notice period, (ii) fail to maintain a first-priority perfected security interest in the collateral in the United States and do not remedy that failure after receiving notice of such failure or (iii) become subject to an event of bankruptcy, then Biopharma may attempt to collect the maximum amount payable by us under this agreement (after deducting any payments we have already made).

There can be no assurance that we will not breach the covenants or other terms of, or that an event of default will not occur under, this agreement and, if a breach or event of default occurs, there can be no assurance that we will be able to cure the breach within the time permitted. Any failure to pay our obligations when due, any breach or default of our covenants or other obligations, or any other event that causes an acceleration of payment at a time when we do not have sufficient resources to meet these obligations, could have a material adverse effect on our business, results of operations, financial condition and future viability.

Our existing indebtedness could adversely affect our financial condition.

Our existing indebtedness, which we entered into in January 2012, consists of $150.0 million in aggregate principal amount of 3.50% exchangeable senior notes due 2032, with provisions for the notes to be called on or after January 19, 2017. Our indebtedness and the related annual debt service requirements may adversely impact our business, operations and financial condition in the future. For example, they could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to raise additional funds by borrowing or engaging in equity sales in order to fund future working capital, capital expenditures, research and development and other general corporate requirements;
- require us to dedicate a substantial portion of our cash to service payments on our debt; or
- limit our flexibility to react to changes in our business and the industry in which we operate or to pursue certain strategic opportunities that may present themselves.

The accounting method for convertible debt securities that may be settled in cash, such as our notes, could have a material effect on our reported financial results.

Under the FASB Accounting Standards Codification, or ASC, we may be required to separately account for the liability and equity components of the convertible debt instruments (such as the notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC on the accounting for our outstanding convertible notes may be that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheets and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the notes. As a result, we may be required to record non-cash interest expense as a result of the amortization of the discounted carrying value of the notes to their face amount over the term of the notes. We may be required to report higher interest expense in our financial results because ASC may require interest to include both the current period's amortization of the debt discount and the instrument's coupon interest, which could adversely affect our reported or future financial results and the trading price of our ADSs.

Servicing our debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to provide the funds sufficient to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations, including the notes, and have a material adverse effect on the trading price of our ADSs.

We may be able to incur substantial additional debt in the future, subject to the restrictions contained in our future debt instruments, if any, which would intensify the risks discussed above.

We may be a passive foreign investment company, or PFIC, which would result in adverse U.S. tax consequences to U.S. investors.

Amarin Corporation plc and certain of our subsidiaries may be classified as "passive foreign investment companies," or PFICs, for U.S. federal income tax purposes. The tests for determining PFIC status for a taxable year depend upon the relative values of certain categories of assets and the relative amounts of certain kinds of income. The application of these factors depends upon our financial results, which are beyond our ability to predict or control, and which may be subject to legal and factual uncertainties.

While we cannot provide any assurance that we are, are not, or will or will not be, a PFIC now or in the future, we believe it prudent to assume that we were classified as a PFIC in 2012.

If we are a PFIC, U.S. holders of notes, ordinary shares or ADSs would be subject to adverse U.S. federal income tax consequences, such as ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws and regulations. Whether or not U.S. holders of our ADSs make a timely "QEF election" or "mark-to-market election" may affect the U.S. federal income tax consequences to U.S. holders with respect to the acquisition, ownership and disposition of Amarin ADSs and any distributions such U.S. Holders may receive. A QEF election and other elections that may mitigate the effect of our being classified as a PFIC are unavailable with respect to the notes. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to the notes, ordinary shares and ADSs.

The conditional exchange feature of the notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional exchange feature of the notes is triggered, holders of notes will be entitled to exchange the notes at any time during specified periods at their option. If one or more holders elect to exchange their notes, unless we elect to satisfy its exchange obligation

by delivering solely the ADSs (other than cash in lieu of any fractional ADS), we would be required to settle a portion or all of its exchange obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to exchange their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The fundamental change repurchase feature of the notes may delay or prevent an otherwise beneficial takeover attempt of us.

The indenture governing the notes will require us to repurchase the notes for cash upon the occurrence of a fundamental change of Amarin and, in certain circumstances, to increase the exchange rate for a holder that exchanges its notes in connection with a make-whole fundamental change. A takeover of us may trigger the requirement that we purchase the notes and/or increase the exchange rate, which could make it more costly for a potential acquirer to engage in a combinatory transaction with us. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors.

We do not intend to pay cash dividends on the ordinary shares in the foreseeable future.

We have never paid dividends on ordinary shares and do not anticipate paying any cash dividends on the ordinary shares in the foreseeable future. Under English law, any payment of dividends would be subject to relevant legislation and our Articles of Association, which requires that all dividends must be approved by our Board of Directors and, in some cases, our shareholders, and may only be paid from our distributable profits available for the purpose, determined on an unconsolidated basis.

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. 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 2006, and by our Articles of Association. 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 and our Articles of Association, each shareholder present at a meeting has only one vote unless demand is made for a vote on a poll, in which case 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, subject to certain exceptions and disapplications, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of ordinary shares or rights to subscribe for, or to convert securities into, ordinary shares for cash. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise.
- Under English law and our Articles of Association, certain matters require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution, including amendments to the 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.
- In the United Kingdom, takeovers may be structured as takeover offers or as schemes of arrangement. Under English law, a bidder seeking to acquire us by means of a takeover offer would need to make an offer for all of our outstanding ordinary shares/ADSs. If acceptances are not received for 90% or more of the ordinary shares/ADSs under the offer, under English law, the bidder cannot complete a “squeeze out” to obtain 100% control of us. Accordingly, acceptances of 90% of our outstanding ordinary shares/ADSs will likely be a condition in any takeover offer to acquire us, not 50% as is more common in tender offers for corporations organized under Delaware law. By contrast, a scheme of arrangement, the successful completion of which would result in a bidder obtaining 100% control of us, requires the approval of a majority of shareholders representing 75% of the ordinary shares and a majority of the shareholders voting at the meeting for approval.
- Under English law and our Articles of Association, shareholders and other persons whom we know or have reasonable cause to believe are, or have been, interested in our shares may be required to disclose information regarding their interests in our shares 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 certain transfers of the shares, withholding of dividends and loss of voting rights. Comparable provisions generally do not exist under U.S. law.
- The quorum requirement for a shareholders’ meeting is a minimum of two shareholders entitled to vote at the meeting and present in person or by proxy or, in the case of a shareholder which is a corporation, represented by a duly authorized officer. 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.

We may in the future be subject to the UK Takeover Code which we do not believe is binding on our company at the present time. Nevertheless, the UK Takeover Code could apply to our company under certain circumstances in the future.

We may in the future be subject to the UK City Code on Takeovers and Mergers which we do not believe is binding on our company at the present time.

In the United Kingdom, takeover offers and certain other transactions in respect of certain public companies are regulated by the UK City Code on Takeovers and Mergers, or the Takeover Code, which is administered by the Takeover Panel. Currently, the Takeover Code applies to

public companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if their securities are admitted to trading on a regulated market in the United Kingdom or on a stock exchange in the Channel Islands or the Isle of Man. The Takeover Code also applies to public companies which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man notwithstanding that their securities are not admitted to trading on one of the markets mentioned above, if the Takeover Panel considers that the company has its place of central management and control in the UK, the Channel Islands or the Isle of Man, or the so-called residency test. We do not believe that our company has its place of central management and control in the UK, the Channel Islands or the Isle of Man and we therefore do not believe that the Takeover Code currently applies to us.

In July 2012, the Takeover Panel published three public consultation papers setting out proposed amendments to the Takeover Code, which include a proposal to eliminate the residency test described above. If this proposal is adopted, we could become subject to the Takeover Code since our registered office is in the United Kingdom.

In summary, the Takeover Code sets out binding rules that provide a framework within which takeovers are required to be conducted and this approach differs from the typical U.S. approach which permits the incumbent board greater flexibility to act in a manner it believes is in the best interests of shareholders. The Takeover Code is designed principally to ensure that shareholders in an offeree company are treated fairly, that they are not denied an opportunity to decide on the merits of a takeover and that they are each afforded equivalent treatment by an offeror.

One of the rules of the Takeover Code requires that if an offeror (and persons acting in concert with it) were to acquire interests in our ordinary shares representing 30% or more of the voting rights of all our ordinary shares, the offeror (and, depending upon the circumstances, persons acting in concert with it) would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding ordinary shares at a price not less than the highest price paid for any interest in the ordinary shares by the offeror (or persons acting in concert with it) during the 12 months prior to the announcement of that offer. A similar obligation to make such a mandatory offer would also arise on the acquisition of an interest in our ordinary shares by a person holding (together with persons acting in concert with it) an interest representing between 30% and 50% of the voting rights of all our ordinary shares.

If we become subject to the Takeover Code, we will be subject to greater controls in relation to the conduct of any takeover offer for our ordinary shares and this may affect the willingness of potential acquirers to proceed with a takeover offer that would otherwise be beneficial to investors. In addition, if we become subject to the Takeover Code, our board of directors would be less able to exercise its judgment over the conduct of any proposed takeover than it would if the Takeover Code did not apply.

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

We are incorporated under the laws of England and Wales, and our subsidiaries are incorporated in various jurisdictions, including foreign jurisdictions. A number of the officers and directors of each of our subsidiaries 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.

Our directors, management and affiliated investment funds exercise significant control over our company, which will limit your ability to influence corporate matters.

As of May 2, 2013 our executive officers, directors and affiliated investment funds collectively controlled approximately 10.2% of our outstanding ordinary shares, excluding any shares subject to ADSs that such persons may have the right to acquire upon exercise of outstanding options or warrants. As a result, these shareholders, if they act together, will be able to influence our management and affairs and all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

In addition, we entered into an agreement with various participants in the October 2009 private placement under which investment funds affiliated with Orbimed Advisors LLC, Sofinnova Ventures and Abingworth LLP have the ability to designate persons for Amarin to nominate to its Board of Directors and the other participants have given these investments funds a proxy to vote their securities in favor of these nominees. We have a continuing obligation to nominate one (1) designee of investment funds affiliated with Sofinnova Ventures to its Board of Directors for so long as such funds beneficially own at least fifty percent (50%) of the ADSs they purchased in the October 2009 private placement. Dr. James I. Healy was designated by investment funds affiliated with Sofinnova Ventures pursuant to this arrangement. In addition, we have agreed to nominate one (1) designee of investment funds affiliated with Abingworth LLP to its Board of Directors for so long as such funds beneficially own at least five percent (5%) of our outstanding voting securities. Dr. Joseph Anderson was designated by investment funds affiliated with Abingworth LLP under this arrangement. Dr. Anderson has resigned from the Board of Directors effective at our 2013 Annual General Meeting of Shareholders, to be held in July 2013. This concentration of ownership and the above-described arrangement may have the effect of delaying or preventing a change in control of our company that other shareholders may desire and might negatively affect the market price of the ADSs.

U.S. holders of the ADSs or ordinary shares may be subject to U.S. income taxation at ordinary income tax rates on undistributed earnings and profits.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. If we are classified as a CFC, any ADS holder or 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 U.S. income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to “subpart F income.” Such 10% holder may also be taxable at ordinary income tax rates on any gain realized on a sale of ordinary shares or ADS, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Holders of the 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.

Item 6. Exhibits

The following exhibits are incorporated by reference or filed as part of this report.

Exhibit Number	Description
10.1	Lease Agreement by and between Bedminster 2 Funding, LLC and Amarin Pharma Inc., dated May 8, 2013
31.1	Certification of Chief Executive Officer (Principal Executive Officer) pursuant to Section 302 of Sarbanes-Oxley Act of 2002
31.2	Certification of President (Principal Financial Officer) pursuant to Section 302 of Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer (Principal Executive Officer) and President (Principal Financial Officer) pursuant to Section 906 of Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Exchange Act and otherwise are not subject to liability under those sections.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMARIN CORPORATION PLC

By: /s/ John F. Thero
John F. Thero
President (Principal Financial Officer)
(On behalf of the Registrant)

Date: May 9, 2013

LEASE AGREEMENT

by and between

BEDMINSTER 2 FUNDING, L.L.C.
Landlord

and

AMARIN PHARMA INC.
Tenant

* * * * * *

The mailing, delivery or negotiation of this Lease shall not be deemed an offer to enter into any transaction or to enter into any relationship, whether on the terms contained herein or on any other terms. This Lease shall not be binding, nor shall either party have any obligations or liabilities or any rights with respect thereto, or with respect to the premises, unless and until both parties have executed and delivered this Lease. Until such execution and delivery of this Lease, either party may terminate all negotiation and discussion of the subject matter hereof, without cause and for any reason, without recourse or liability.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is dated as of the 8th day of May, 2013, by and between BEDMINSTER 2 FUNDING, LLC, a New Jersey limited liability company ("Landlord), and AMARIN PHARMA INC., a Delaware corporation ("Tenant").

ARTICLE I
BASIC LEASE PROVISIONS; DEFINITIONS

1.1 Additional Rent: as defined in Section 4.2.

1.2 Anticipated Delivery Date: April 1, 2013.

1.3 Base Rent:

Lease Years	Annual Base Rent	Monthly Base Rent	Base Rent Per Rentable Square Foot
1	$ 672,384.50	$ 56,032.04	$ 26.50
2	$ 685,071.00	$ 57,089.25	$ 27.00
3	$ 697,757.52	$ 58,146.46	$ 27.50
4	$ 710,444.04	$ 59,203.67	$ 28.00
5	$ 723,130.56	$ 60,260.88	$ 28.50

1.4 Base Year: Calendar Year 2013

1.5 Broker: None

1.6 Building: a two (2) story building containing an agreed upon 32,220 (thirty two thousand, two hundred twenty) square feet of total rentable area as of the date hereof and located at 1430 Route 206, Bedminster, New Jersey.

1.7 Building Common Areas: those interior areas of the Building devoted to corridors, elevator foyers, rest rooms, mechanical rooms, janitorial closets, electrical and telephone closets, vending areas, property management offices and lobby areas (whether at ground level or otherwise), and the like, as well as those exterior portions of the Property including parking areas, access driveways, roadways, sidewalks, plazas, landscaped areas, traffic lights, storm drainage facilities, sanitary sewer, domestic and fire water systems, fire protection installations, electric power and telephone cables and lines and other utility connections, facilities and other similar improvements (above and below ground), and such other areas and facilities which now exist or may hereafter be constructed in, on, or upon the Building or the Land which are intended for the common use or benefit of tenants and occupants of the Building and their respective employees, but specifically excluding any Complex Common Areas.

1.8 Building Holidays: The following days: Sundays, New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day; any holidays celebrated by the State of New Jersey or the federal government; and any days prior or subsequent to such holidays which are commonly designated as non-business days by employers

in the Geographic Area (as hereinafter defined) - (for example, the Friday after Thanksgiving; Friday, when Christmas falls on a Thursday; etc.), provided however, if the State of New Jersey and the federal government observe the same holiday on different days, Landlord shall designate one of such days as the holiday observed and that a legal holiday with respect to services Landlord is obligated to provide hereunder shall be the legal holidays observed by union of the Building employees performing such service.

1.9 Building Hours: 8:00 a.m. to 6:00 p.m., Monday through Friday (excluding Building Holidays), and such additional hours, if any, as Landlord may from time to time designate at its sole discretion.

1.10 Building Structure and Systems: as defined in Section 8.1.

1.11 Commencement Date: April 1, 2013.

1.12 Common Areas: the Building Common Areas and the Complex Common Areas, collectively. Landlord shall make no changes to the Common Areas that, in more than a *de minimis* way, affect Tenant's use or occupancy of the Premises or permanently block or interfere with Tenant's means of ingress or egress to and from the Premises.

1.13 Complex: a three-building office park consisting of: 1400 State Highway 206, a 15,000 square foot, two-story building; 1420 State Highway 206, a 40,798 square foot, two-story building; and 1430 State Highway 206, a 32,220 square foot, two-story building, presently known as Bedminster Executive Park.

1.14 Complex Common Areas: those areas within the Complex (other than Building Common Areas) that are, from time to time, designated by Landlord (and/or the owners of any other portions of the Complex, if applicable), for the use or benefit in common by all tenants and occupants of the Complex and their respective employees. Such areas shall include, without limitation, parking areas, access driveways, roadways, sidewalks, plazas, landscaped areas, traffic lights, storm drainage facilities, sanitary sewer, domestic and fire water systems, fire protection installations, electric power and telephone cables and lines and other utility connections, facilities and other similar improvements (above and below ground), and other similar areas and facilities which now exist or may hereafter be constructed in, on or upon the Complex.

1.15 Default Interest Rate: a rate of interest equal to the rate per annum which is three (3) percentage points higher than the prime rate published in the Money Rates section of the Wall Street Journal, Northeast Edition, but in no event shall such rate exceed the maximum legal rate then allowed by applicable Legal Requirements with respect to breaches under commercial contracts.

1.16 Environmental Laws: as defined in Section 25.1(a).

1.17 Event of Default: as defined in Section 19.1.

1.18 Expiration Date: 6:00 p.m. on March 31, 2018, subject to earlier termination of the Term as provided in this Lease.

1.19 Geographic Area: Bedminster, Far Hills, Bridgewater and Warren, New Jersey.

1.20 Guarantor(s): any person(s) or entity(ies) becoming a guarantor of Tenant's obligations under this Lease.

1.21 Hazardous Materials: as defined in Section 25.1(a).

1.22 Insurance Requirements: all rules, regulations, orders, requirements and recommendations made by the Board of Fire Underwriters and any insurance organizations or associations with appropriate authority, and/or insurance companies insuring the Property and/or the Complex, as the same may be amended from time to time.

1.23 Land: the land upon which the Building and Building Common Areas are constructed.

1.24 Landlord's Agents: collectively, any managing agent of the Property and/or the Complex, any Mortgagee of Landlord, and any employees, officers, directors, partners, shareholders or agents of Landlord, or of any such managing agent, or Mortgagee of Landlord.

1.25 Landlord Notice Address: Bedminster 2 Funding, LLC, c/o Advance Realty, 1430 Route 206, Suite 100, Bedminster, New Jersey 07921, Attention: COO, concurrently with a duplicate copy to Bedminster 2 Funding, LLC, c/o Advance Realty, 1430 Route 206, Suite 100, Bedminster, New Jersey 07921, Attention: General Counsel.

1.26 Landlord Payment Address: Bedminster 2 Funding, LLC, c/o Advance Realty, 1430 Route 206, Suite 100, Bedminster, New Jersey 07921, Attention: Accounts Receivable.

1.27 Lease Year: a period of twelve (12) consecutive months commencing on the Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Commencement Date is not the first day of a month, then the first Lease Year shall be extended to the last day of the month in which the first anniversary of the Commencement Date occurs, and the second Lease Year shall commence on the first day of the month following the month in which the first anniversary of the Commencement Date occurs.

1.28 Legal Requirements: all present and future laws (including, without limitation, Title III of the Americans with Disabilities Act of 1990 [the "ADA"] and the regulations promulgated thereunder), ordinances (including without limitation, zoning ordinances and land use requirements), regulations, orders and recommendations now or hereafter in effect, of whatever nature, of any and an federal, state, county, municipal and/or other authorities with appropriate jurisdiction over the Property or the Complex, as the same may be amended from time to time.

1.29 Mortgage: any mortgage, deed of trust or other security instrument, and any ground lease, master lease or other superior leasehold interest which may now or hereafter encumber the Property, the Complex, or any portion thereof.

1.30 Mortgagee: the holder of any Mortgage.

1.31 Operating Charges: as defined in Section 5.

1.32 Parking Permits: One hundred one (101), determined based on four (4) spaces for each 1,000 rentable square feet of space in the Premises.

1.33 Permitted Use: as defined in Section 6.1(a).

1.34 Premises: those premises containing an agreed-upon Twenty-five Thousand Three Hundred Seventy-three (25,373) square feet of rentable space, located on the first (1st) and second (2nd) floors of the Building in the area shown on Exhibit A attached hereto and made a part hereof.

1.35 Property: the Land, the Building, and any other improvements now or hereafter located on the Land, collectively.

1.36 Real Estate Taxes: as defined in Section 5.

1.37 Renewal Option: one (1) consecutive term of five (5) years, as set forth in Exhibit G attached hereto and made a part hereof.

1.38 Rent: as defined in Section 4.2(a).

1.39 Security Deposit: None.

1.40 Tenant Billing Address: Amarin Pharma Inc., 1430 US Highway 206, Suite 200, Bedminster, New Jersey 07921; Attn: Accounts payable.

1.41 Tenant Notice Address: Amarin Pharma Inc., 1430 US Highway 206, Bedminster, New Jersey 07921; Attn: John Thero.

1.42 Tenant's Agents: any assignee or subtenant of Tenant, and any employee, agent, contractor, invitee, client, licensee, customer or guest of Tenant or any assignee or subtenant of Tenant.

1.43 Tenant's NAICS Number: , as designated in the then-current Standard Industrial Classification Manual prepared and published by the Executive Office of the President, Office of Management and Budget, or any successor to such publication.

1.44 Tenant's Proportionate Share: shall mean the agreed-upon percentage of Seventy-eight and 75/100 (78.75%) which is based upon the total number of square feet of rentable area within the Demised Premises (i.e. 25,373 rentable square feet) divided by the total number of square feet of rentable area within the Building, which is deemed to be 32,220 rentable square.

1.45 Term: as defined in Section 3.1.

1.46 Total Electrical Load: a total electrical load, within the Premises, of two (2) watts per rentable square foot of the Premises (with respect to lighting fixtures), and five (5) watts per rentable square foot (with respect to all other equipment or fixtures requiring electricity).

1.47 Utilities: as defined in Section 5.3.

ARTICLE II
PREMISES

2.1 Tenant leases the Premises from Landlord, and Landlord leases the Premises to Tenant, for the Term. In addition thereto, Tenant shall have the non-exclusive right to use the Common Areas (as the same may be designated by Landlord from time to time) during the Term, subject to and upon the terms and conditions of this Lease including, without limitation, the reasonable rules and regulations from time to time promulgated by Landlord or any managing agent of the Building or the Complex. Notwithstanding the foregoing, or any other provision of this Lease, Tenant's non-exclusive right to use the Common Areas shall not include the right to use the roof, exterior walls, land beneath the Building, mechanical rooms, electrical closets, janitorial closets, telephone rooms, or any other portions of the Common Areas not generally made available to all tenants of the Building or the Complex (as the case may be), except to the extent specifically provided in this Lease. Notwithstanding anything herein to the contrary, Tenant may continue to use areas in the mechanical electrical closets, chases and conduits in the Building as presently used pursuant to the License Agreement and Sublease (as defined in Section 32.1).

ARTICLE III
TERM; DELIVERY OF POSSESSION; CONDITION OF PREMISES

3.1 This Lease and all of its provisions shall be in full force and effect from and after the date first above written (which date, unless otherwise expressly provided herein, shall be the date on which the last of Landlord or Tenant executes and delivers this Lease). The term of this Lease ("Term") shall commence on the Commencement Date and shall end on the Expiration Date, unless the Term shall sooner terminate pursuant to the provisions of this Lease.

3.2 After the Commencement Date is determined, Landlord shall deliver to Tenant and Tenant shall execute a short form agreement in the form attached hereto as Exhibit D, confirming the Commencement Date, the Expiration Date and such other information reasonably requested by Landlord. In the event Tenant does not execute and return such agreement within ten (10) business days after receipt thereof, then the dates set forth in the agreement tendered by Landlord shall be deemed conclusive, and Tenant's obligation to commence paying Rent in accordance with the terms of this Lease shall not be effected by the failure of either party to execute such certificate.

3.3 Prior to the Commencement Date, Landlord shall install new building standard carpeting and wall covering in the second floor corridor of the Building ("Base Building Work").

3.4 The Premises are being leased to Tenant in their present, AS-IS, WHERE-IS condition and, except for the Base Building Work, Landlord shall have no responsibility to perform any alterations, decorations, additions, improvements or changes whatsoever to prepare same for Tenant's occupancy. Except as expressly set forth herein, neither Landlord nor

Landlord's Agents have made any representations or promises with respect to the physical condition of the Building, the Property or the Complex. Notwithstanding anything contained to the contrary herein, Tenant's taking of possession of the Premises shall constitute Tenant's acknowledgment that the Premises, the Building and the Complex are in good condition and that all work and materials are satisfactory.

ARTICLE IV
RENT

4.1 From and after the Commencement Date, Tenant shall pay the Base Rent in twelve (12) equal monthly installments in advance on the first day of each month, without any offset, abatement, defense, claim, counterclaim or deduction whatsoever except as expressly set forth in this Lease. If the Commencement Date is not the first day of a calendar month, then the Base Rent from the Commencement Date until the first day of the following calendar month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the first Lease Year, and Tenant shall pay such prorated installment of the Base Rent on or before the Commencement Date. If the Expiration Date of this Lease is not the last day of a calendar month (other than by reason of Tenant's default), then Base Rent for such month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the Lease Year in which the Lease terminates.

4.2 (a) Any item of rent, or other fee or charge owed by Tenant to Landlord hereunder, other than Base Rent, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable hereunder, shall be considered "Additional Rent" payable pursuant to this Lease, without any offset, abatement, defense, claim, counterclaim or deduction whatsoever except as expressly set forth in this Lease and shall, unless a different time period is specifically provided herein, be paid by Tenant within thirty (30) days after an invoice therefor is given to Tenant. As used herein, the term "Rent" shall mean, collectively, all Base Rent and Additional Rent.

(b) If any payment of Base Rent, Additional Rent or any other sum is not received at the Landlord Payment Address (or such other address as Landlord may designate in writing) within five (5) days after the date such payment is due hereunder (without regard to any cure period specified in Section 19.1 below) more than once in any twelve month period, then Tenant shall pay to Landlord, as Additional Rent and as an agreed-upon amount of liquidated damages and not as a penalty, a late charge equal to five percent (5%) of the amount of such payment. In addition, such late payment shall bear interest at the Default Interest Rate from the date such payment became due until the date on which Landlord receives full payment thereof (inclusive of all accrued interest thereon). Notwithstanding the foregoing, Tenant shall not be charged with the late charge or interest at the Default Interest Rate the first occasion Tenant is late with respect to such payment during not more than two (2) times in any twelve (12) month period (commencing from the Commencement Date) of the Term until Tenant has been given an additional five (5) business days' notice and an opportunity to cure said nonpayment during said five (5) business day period and has still failed to cure the same.

4.3 Base Rent and Additional Rent are sometimes collectively referred to in this Lease as "Rent." All sums payable by Tenant under this Lease, whether or not stated to be Base Rent, Additional Rent or otherwise, shall be paid to Landlord in legal tender of the United States at the Landlord Payment Address, or to such other party or such other address as Landlord may designate in writing. Landlord's acceptance of Rent after it shall have become due and payable hereunder shall not constitute a waiver of any of Landlord's rights hereunder with respect to such late payment or excuse such late payment or any subsequent late payment of Rent. If any sum payable by Tenant under this Lease is paid by check and such check is returned due to insufficient funds, stop payment order, or otherwise, then such event shall be treated as a failure to pay such sum when due and, in addition to all other rights and remedies of Landlord hereunder, Landlord shall be entitled to impose a returned check fee of Fifty Dollars ($50.00) to cover Landlord's administrative expenses and overhead for processing same.

4.4 At any time during the Term Tenant shall, at Landlord's option, make all payments of Base Rent and/or recurring monthly items of Additional Rent by way of monthly electronic transfer from an account designated by Tenant to an account designated by Landlord. Tenant shall complete and provide to Landlord and the financial institutions involved in said electronic transfer any and all required paperwork to effectuate this monthly transfer within thirty (30) days after request therefor by Landlord.

ARTICLE V
OPERATING CHARGES AND REAL ESTATE TAXES

5.1 (a) Commencing on January 1st following the Base Year and thereafter for the remainder of the Term, Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of the amount by which Operating Charges for each calendar year following the Base Year exceed the Base Year Operating Charges (hereinafter referred to as the "Operating Charges Escalation") falling entirely or partly within the Term. "Operating Charges" shall mean the sum of (x) all costs and expenses of any kind or nature whatsoever incurred in connection with the management, operation, maintenance, repair, replacement and cleaning of the Building, the Land and the Building Common Areas; and (y) a pro rata share of all costs and expenses of any kind or nature whatsoever incurred in connection with the management, operation, repair, replacement and cleaning of the Complex Common Areas (which pro rata share shall be determined by multiplying the amount of such costs and expenses applicable to the Complex Common Areas by a fraction, the numerator of which is the rentable square footage of the Building, and the denominator of which is the total rentable square footage of all buildings in the Complex [including the Building] which benefit from such costs and expenses). Operating Charges shall include, but not be limited to, the following: (i) premiums and other charges for such insurance as Landlord is required or permitted to carry pursuant to Section 13.4 below or by any Mortgagee, or as Landlord (or the operator of the Complex Common Areas, as applicable) may otherwise elect to carry in its sole discretion; (ii) wages and salaries of all employees engaged in the provision of the services described above, including wages and other compensation, social security, unemployment taxes, workers' compensation insurance, disability benefits, pensions, uniforms and expenses pursuant to any collective bargaining agreements; (iii) costs of service and maintenance contracts, including, without limitation, contracts for the provision of window cleaning and other janitorial services, elevator maintenance, landscaping, snow plowing, any security services elected by Landlord (or the operator of the Complex, as

applicable), and extermination; (iv) depreciation of capital expenditures made in order to reduce Operating Charges, or to comply with Legal Requirements or Insurance Requirements first applicable after the date hereof, such capital costs and expenses to be amortized over such reasonable period as Landlord shall determine, together with interest at the rate that would be paid by Landlord if it borrowed funds for such expenditures (whether or not Landlord, in fact, borrows funds therefor); (v) removal of trash, debris, snow and ice; (vi) repairs to the Building Structure and Systems; (vii) reasonable amounts paid to a managing agent, if any, whether or not such managing agent is related to Landlord, provided that such management fees shall not exceed three percent (3%) of the gross rents from the Building; (viii) amounts charged for services, materials, and supplies furnished; (ix) the cost of licenses, permits and similar governmental charges relating to the operation, repair and maintenance of the Building or the Complex in general. Notwithstanding the foregoing, Operating Charges shall not include: (1) principal or interest or other payments on any Mortgages or ground leases; (2) leasing commissions or legal fees with respect to the negotiation of leases; (3) capital improvements or replacements (or the depreciation thereof), except as permitted hereinabove; (4) the costs of special services and utilities separately paid by particular tenants of the Building or the Complex (other than as part of an operating expense-type charge similar to the charges imposed by this Section 5. 1(a)); (5) costs which are actually reimbursed by insurers or by governmental authorities in eminent domain proceedings to Landlord (net of all collection expenses incurred); (6) expenses of advertising for vacant space in the Building or the Complex; (7) the cost of improvements to individual tenants' premises (so-called "tenant improvements"); (8) executives' salaries above the grade of building manager; (9) amounts that Landlord has the right to be reimbursed from tenants or other third parties; (10) costs of repairs or replacements incurred by reason of fire or other casualty or condemnation; (11) costs incurred in performing work or furnishing services for any tenant (including Tenant), whether at such tenant's or Landlord's expense, to the extent that such work or service is materially in excess of any work or service that Landlord is obligated to furnish to Tenant at Landlord's expense; (12) Real Estate Taxes; (13) the cost of electricity (for other than air conditioning) furnished to the Premises or any other space leased to tenants as reasonably estimated by Landlord; (14) refinancing costs; (15) marketing costs, and other expenses incurred in connection with negotiations or disputes with tenants, other occupants, prospective tenants or other occupants, or the sale or refinancing of the Building, or legal fees incurred in connection with this lease; (16) expenses in connection with non-Building standard services or benefits of a type which are not provided to Tenant but which are provided to other tenants or occupants of the Complex, or for which Tenant is charged directly but which are provided to another tenant or occupant of the Building without direct charge; (17) costs incurred due to violation by Landlord or any tenant or other occupant of the terms and conditions of any lease or other rental agreement covering space in the Complex; (18) amounts paid to subsidiaries or other affiliates of Landlord (i.e., persons or companies controlled by, under common control with, or which control, Landlord) for services on or to the Complex (or any portion thereof), to the extent only that the costs of such services exceed competitive costs of such services were they not so rendered by a subsidiary or other affiliate of Landlord; (19) bad debt expenses, payments of principal, interest, late fees, prepayment fees or other charges on any debt, rental concessions or negative cash flow guaranties, or rental payments under any ground or underlying lease or leases; (20) Landlord's general administrative overhead expenses to the extent related to the operation of the Landlord entity as opposed to the operation of the Complex; (21) any compensation paid to clerks, attendants, or other persons in

commercial concessions operated by Landlord; (22) all items and services for which Tenant pays directly to third parties; (23) any costs, fines, or penalties incurred due to violations by Landlord of any governmental rule or authority; (24) costs for sculptures, paintings, or other art that has intrinsic value as "works of art"; (25) rentals and other related expenses incurred in the leasing of air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except equipment which is used in providing janitorial services and which is not affixed to the Building; (26) costs incurred to cure any violation of, or to otherwise comply with, any laws, statutes, ordinances, codes or other governmental rules, regulations or requirements in force as of the date of this Lease; (27) any costs necessitated by or resulting from the negligence of Landlord, its agents, employees and/or independent contractors; (28) costs of installing any specialty services operated by Landlord, including, without limiting any of the forgoing, any food service, athletic facility, telecommunications facilities, public meeting rooms, art galleries, concierge, or retail facility; (29) charitable or political contributions; (30) costs associated with the operation of the business of the partnership or entity which constitutes Landlord, or the operation of any parent, subsidiary or affiliate of Landlord, as the same are distinguished from the costs of operation of the Building; and (31) costs incurred in connection with investigating, assessing, removing, encapsulating or otherwise remediating or abating asbestos or other hazardous or toxic materials or other forms of contamination in or on the Building or on or under the real property or any part thereof (including without limitation groundwater contamination). The term "Base Year Operating Charges" shall mean those Operating Charges incurred during the Base Year (excluding extraordinary and non-recurring expense items incurred during the Base Year).

(b) If any Operating Charges pertaining to the Building or the Building Common Areas are incurred on a shared-basis with any other portion of the Complex (other than the Complex Common Areas, the Operating Charges for which are addressed above), then before Tenant's Proportionate Share of the Operating Charges Escalation is calculated, Landlord shall first make an equitable allocation of such shared Operating Charges among the buildings of the Complex (including the Building) sharing the services, materials or other benefits of such shared Operating Charges. In addition, (i) if the average occupancy rate for the Building during any calendar year (including the Base Year) is less than ninety-five percent (95%), then Operating Charges pertaining to the Building or the Building Common Areas for such calendar year shall be deemed to include all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if such average occupancy rate for the Building had been ninety-five percent (95%); and (ii) if any tenant of the Building is separately paying for (or does not require) any of the goods or services provided to tenants of the Building which are included in Operating Charges pertaining to the Building or the Building Common Areas, then the Operating Charges for such year shall be deemed to include all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if Landlord had provided such goods and services.

(c) Tenant shall make estimated monthly payments to Landlord on account of Tenant's Proportionate Share of the Operating Charges Escalation. At the beginning of the Term and at the beginning of each calendar year thereafter, Landlord may submit a statement to Tenant setting forth, on an annualized basis, Landlord's reasonable estimate of such Operating Charges ("Estimated Operating Charges Statement") and Tenant's Proportionate Share of the Operating Charges Escalation for the forthcoming year. Tenant shall pay to Landlord as Additional Rent,

on the first day of each month following receipt of such Estimated Operating Charges Statement, until Tenant's receipt of any succeeding Estimated Operating Charges Statement, an amount equal to one-twelfth (1/12) of Tenant's Proportionate Share of the Operating Charges Escalation as shown on such Estimated Operating Charges Statement. From time to time during any calendar year, Landlord may revise Landlord's estimate of Operating Charges and adjust Tenant's monthly payments to reflect Landlord's revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference (if any) between the aggregate amount of Tenant's estimated payments theretofore made on account of the Operating Charges Escalation during such calendar year, and the amount which would have been payable by Tenant during such calendar year had Landlord billed Tenant for the revised monthly amount for such prior elapsed months during such calendar year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 5.1(c). Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a statement ("Annual Operating Charges Statement") to Tenant showing (1) the amount of Operating Charges incurred during the preceding calendar year, (2) Tenant's Proportionate Share of the Operating Charges Escalation for such calendar year, and (3) the aggregate amount of Tenant's estimated payments made on account of the Operating Charges Escalation during such calendar year. If the Annual Operating Charges Statement indicates that the aggregate amount of such estimated payments made by Tenant exceeds Tenant's actual liability for the Operating Charges Escalation, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit the overpayment toward Tenant's next monthly payment(s) of the Operating Charges Escalation due hereunder, or promptly refund such overpayment to Tenant. If the Annual Operating Charges Statement indicates that Tenant's actual liability for the Operating Charges Escalation exceeds the aggregate amount of such estimated payments made by Tenant, then Tenant shall pay such deficient amount to Landlord as Additional Rent within thirty (30) days after such Annual Operating Charges Statement is given to Tenant. If Landlord fails to provide the Estimated Operating Charges Statement or the Annual Operating Charges Statement by the anticipated dates provided herein, Landlord shall not be deemed to have waived its right to thereafter provide such statements.

(d) Provided Tenant has timely paid the amount set forth in the Annual Operating Charges Statement, then for a period of one hundred eighty (180) days after Tenant's receipt of such statement, Tenant shall have the right, during regular business hours and after giving Landlord at least twenty (20) days' advance written notice, to complete an inspection or audit, or cause an independent certified public accountant who meets the criteria set forth below to complete an inspection or audit, of Landlord's books and records relating to Operating Charges for the immediately preceding calendar year. Such inspection or audit (hereinafter referred to as ''Tenant's Audit") shall take place at a mutually convenient date and time, at any of Landlord's office locations in the greater New York City metropolitan area selected by Landlord. Any independent certified public accountant who is hired by Tenant to perform Tenant's Audit shall offer a full range of accounting services and be engaged on an hourly fee-based arrangement (i.e., not on a contingency basis or other arrangement), and Tenant shall furnish proof in advance of Tenant's Audit that the person conducting same satisfies the foregoing criteria. Notwithstanding anything contained herein, Tenant's Audit may not commence until Tenant and the person conducting Tenant's Audit execute a confidentiality agreement, which shall be prepared by Landlord and be reasonably acceptable to the parties thereto, which shall

provide that any information obtained by Tenant and such person as a result of Tenant's Audit shall be treated as confidential, except in any litigation or proceeding between the parties, and except further that Tenant or such person may disclose such information to any governmental agency pursuant to any subpoena or judicial process. Tenant shall furnish to Landlord a reasonably detailed report of the results of Tenant's Audit within ten (10) days after such audit is completed. If Landlord disagrees with the results of Tenant's Audit then, at Landlord's option, such disagreement shall be resolved by an independent, third-party certified public accountant jointly selected by Landlord and Tenant (whose fees shall be shared equally by Landlord and Tenant) who shall conduct an audit of such books and records and whose determination of Operating Charges shall be final and conclusive. If Tenant's Audit, as finally determined, shows that the amounts paid by Tenant to Landlord on account of Operating Charges exceed the amounts to which Landlord is entitled hereunder, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit such excess toward Tenant's next monthly payment(s) of Operating Charges due hereunder, or promptly refund such excess to Tenant. If Tenant's Audit, as finally determined, shows that the amounts paid by Tenant to Landlord on account of Operating Charges exceed the amounts to which Landlord is entitled hereunder by more than 5%, Landlord shall reimburse Tenant for the costs of such audit. If Tenant's Audit reveals that Tenant's actual liability exceeds the amounts paid by Tenant to Landlord on account of Operating Charges then Tenant shall pay the deficiency as Additional Rent, together with the delivery to Landlord of the detailed report of Tenant's Audit, as aforesaid. If Tenant does not timely notify Landlord in writing of any objection to any Annual Operating Charges Statement and thereafter complete Tenant's Audit within one hundred eighty (180) days after receipt of the Annual Operating Charges Statement, TIME BEING OF THE ESSENCE, then Tenant shall be deemed to have waived any and all objections it may have with respect to Operating Charges for the preceding calendar year or the Annual Operating Charges Statement pertaining thereto.

5.2 (a) Commencing January 1st following the Base Year and thereafter for the remainder of the Term, Tenant shall pay, as Additional Rent, Tenant's Proportionate Share of the amount by which Real Estate Taxes for each calendar year falling entirely or partially within the Term following the Base Year exceeds the Base Year Real Estate Taxes (hereinafter referred to as the "Real Estate Taxes Escalation"). "Real Estate Taxes" shall mean (1) all real estate taxes, vault and/or public space rentals, business district or arena taxes, special user fees, rates, and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, which are imposed upon Landlord or assessed against the Property or any portion(s) thereof or Landlord's personal property used in connection therewith, (2) any other present or future taxes or governmental charges that are imposed upon Landlord or assessed against the Property or any portion(s) thereof which are in the nature of or in substitution for or in addition to real estate taxes, including any tax levied on or measured by the rents payable by tenants of the Building, and (3) reasonable expenses (including, without limitation, reasonable attorneys' and consultants' fees and court costs) incurred by or on behalf of Landlord in reviewing, protesting or seeking a refund or reduction of Real Estate Taxes, whether or not such protest is ultimately successful, or such refund or reduction is ultimately granted (Tenant hereby acknowledging and agreeing that Tenant shall not under any circumstances be entitled to appeal or otherwise contest Real Estate Taxes, such rights of appeal and contest being wholly reserved to Landlord in its sole and absolute discretion). Real Estate Taxes shall not include any transfer, excise, inheritance, estate, gift, franchise, corporation, net income or net

profits tax assessed against Landlord from the operation of the Property, unless same is imposed in substitution for any real estate taxes which constitute "Real Estate Taxes", and shall also exclude penalties incurred by Landlord as a result of Landlord's late payment of any Real Estate Taxes. If the Building is not fully constructed and at least ninety-five (95%) percent leased in any calendar year of the Term, including the Base Year, then Real Estate Taxes for such calendar year shall nevertheless be computed, as determined by Landlord in its reasonable discretion, as though the Building had been fully constructed and at least ninety-five (95%) percent occupied the entire calendar year. The term "Base Year Real Estate Taxes" shall mean those Real Estate Taxes incurred for the Property (or deemed to have been incurred pursuant to the immediately preceding sentence) during the Base Year.

(b) Tenant shall make estimated monthly payments to Landlord on account of Tenant's Proportionate Share of the Real Estate Taxes Escalation. At the beginning of the Term and at the beginning of each calendar year thereafter, Landlord may submit a statement to Tenant setting forth, on an annualized basis, Landlord's reasonable estimate of such Real Estate Taxes ("Estimated Tax Statement") and Tenant's Proportionate Share of the Real Estate Taxes Escalation for the forthcoming year. Tenant shall pay to Landlord as Additional Rent on the first day of each month following receipt of such Estimated Tax Statement, until Tenant's receipt of any succeeding Estimated Tax Statement, an amount equal to one-twelfth (1/12) of Tenant's Proportionate Share of the Real Estate Taxes Escalation as shown on such Estimated Tax Statement. From time to time during any calendar year, Landlord may revise Landlord's estimate of Real Estate Taxes and adjust Tenant's monthly payments to reflect Landlord's revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference, if any, between the aggregate amount of Tenant's estimated payments theretofore made on account of the Real Estate Taxes Escalation during such calendar year, and the amount which would have been payable by Tenant during such calendar year had Landlord billed Tenant for the revised monthly amount for such prior elapsed months during such calendar year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 5.2(b). Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a statement ("Annual Tax Statement") to Tenant, showing (1) the amount of Real Estate Taxes incurred during the preceding calendar year, (2) Tenant's Proportionate Share of the Real Estate Taxes Escalation for such calendar year, and (3) the aggregate amount of Tenant's estimated payments made on account of the Real Estate Taxes Escalation during such calendar year. If the Annual Tax Statement indicates that the aggregate amount of such estimated payments made by Tenant exceeds Tenant's actual liability for the Real Estate Taxes Escalation, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit the overpayment toward Tenant's next monthly payment(s) of Real Estate Taxes due hereunder, or promptly refund such overpayment to Tenant. If the Annual Tax Statement indicates that Tenant's actual liability for Real Estate Taxes exceeds the aggregate amount of such estimated payments made by Tenant, then Tenant shall pay the deficient amount to Landlord as Additional Rent within thirty (30) days after such Annual Tax Statement is given to Tenant. If Landlord fails to provide the Estimated Tax Statement or the Annual Tax Statement by the applicable dates provided herein, Landlord shall not be deemed to have waived its right to thereafter provide such statements.

(c) In addition to Tenant's Proportionate Share of the Real Estate Taxes Escalation, Tenant shall also be liable for any portion of the Real Estate Taxes (and not simply any increase over the Base Year Real Estate Taxes) imposed upon the Property during the Term which is attributable to improvements in the Premises or the Property constructed by or on behalf of Tenant or at Tenant's expense and for which the taxing authority has assigned an increase in valuation in computing the assessed valuation of the Property above the building standard valuation ("Extra Taxes"). Tenant shall pay to Landlord as Additional Rent 100% of the amount of such Extra Taxes within thirty (30) days after issuance of an invoice therefor or, at Landlord's option, such Extra Taxes may be included as a component of the Estimated Tax Statement and Annual Tax Statement, and paid pursuant to Section 5.2(b) above.

5.3 (a) Commencing January 1st following the Base Year and thereafter for the remainder of the Term, Tenant shall pay, as Additional Rent, Tenant's Proportionate Share of the amount by which the costs of electricity, water and any other utilities not separately billed or metered to any tenants in the Building or the Complex, as applicable, and the cost of fuel (gas, oil or other) used in heating, ventilating and air-conditioning all portions of the Building including all rentable square footage therein (hereinafter collectively referred to as the "Utilities") for each calendar year falling entirely or partially within the Term following the Base Year exceeds the Base Year Utilities (hereinafter referred to as the "Utilities Escalation"). If the Building is not fully constructed and at least ninety-five (95%) percent leased in any calendar year of the Term, then the Utilities for such calendar year shall nevertheless be computed, as determined by Landlord in its reasonable discretion, as though the Building had been fully constructed and at least ninety-five (95%) percent occupied the entire calendar year. The term "Base Year Utilities" shall mean those Utilities incurred for the Property (or deemed to have been incurred pursuant to the immediately preceding sentence) during the Base Year.

(b) If any Utilities pertaining to the Building or the Building Common Areas are incurred on a shared-basis with any other portion of the Complex, then before Tenant's Proportionate Share of the Utilities Escalation is calculated, Landlord shall first make an equitable allocation of such shared Utilities among the buildings of the Complex (including the Building) sharing the services, materials or other benefits of such shared Utilities.

(c) Tenant shall make estimated monthly payments to Landlord on account of Tenant's Proportionate Share of the Utilities Escalation. At the beginning of the Term and at the beginning of each calendar year thereafter, Landlord may submit a statement to Tenant setting forth, on an annualized basis, Landlord's reasonable estimate of such Utilities ("Estimated Utilities Statement") and Tenant's Proportionate Share of the Utilities Escalation for the forthcoming year. Tenant shall pay to Landlord as Additional Rent on the first day of each month following receipt of such Estimated Utilities Statement, until Tenant's receipt of any succeeding Estimated Utilities Statement, an amount equal to one-twelfth (1/12) of Tenant's Proportionate Share of the Utilities Escalation as shown on such Estimated Utilities Statement. From time to time during any calendar year, Landlord may revise Landlord's estimate of Utilities and adjust Tenant's monthly payments to reflect Landlord's revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference, if any, between the aggregate amount of Tenant's estimated payments theretofore made on account of the Utilities Escalation during such calendar year, and the amount which would have been payable by Tenant during such calendar year had Landlord billed Tenant for the revised monthly amount for such

prior elapsed months during such calendar year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 5.3(c). Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a statement ("Annual Utilities Statement") to Tenant, showing (1) the amount of Utilities incurred during the preceding calendar year, (2) Tenant's Proportionate Share of the Utilities Escalation for such calendar year, and (3) the aggregate amount of Tenant's estimated payments made on account of the Utilities Escalation during such calendar year. If the Annual Utilities Statement indicates that the aggregate amount of such estimated payments made by Tenant exceeds Tenant's actual liability for the Utilities Escalation, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit the overpayment toward Tenant's next monthly payment(s) of Utilities due hereunder, or promptly refund such overpayment to Tenant. If the Annual Utilities Statement indicates that Tenant's actual liability for Utilities exceeds the aggregate amount of such estimated payments made by Tenant, then Tenant shall pay the deficient amount to Landlord as Additional Rent within thirty (30) days after such Annual Utilities Statement is given to Tenant. If Landlord fails to provide the Estimated Utilities Statement or the Annual Utilities Statement by the applicable dates provided herein, Landlord shall not be deemed to have waived its right to thereafter provide such statements. The audit rights described in Section 5.1(d) above shall be applicable to the Estimated Utilities Statement.

5.4 Tenant shall pay before delinquency, directly to the applicable taxing authority, any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business at the Premises, or Tenant's equipment, fixtures, furnishings, inventory or personal property at the Property. In the alternative, if any such tax or fee is enacted or altered so that same is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay the amount of such tax or fee to Landlord as Additional Rent within ten (10) days after issuance by Landlord of an invoice therefor.

5.5 If the Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liabilities pursuant to Sections 5.1, 5.2 and 5.3 above for such calendar year shall be apportioned by multiplying the respective amount of Tenant's Proportionate Share of the Operating Charges Escalation, Real Estate Taxes Escalation, or Utilities Escalation, as the case may be, thereof for the full calendar year by a fraction, the numerator of which is the number of days during such calendar year falling within the Term, and the denominator of which is three hundred sixty (360).

5.6 Landlord reserves the right to change the accounting period for either Operating Charges, Real Estate Taxes, Utilities, or any combination of them, to each consecutive twelve (12) month period commencing on the Commencement Date or such other date as Landlord shall designate by notice to Tenant.

ARTICLE VI
USE OF PREMISES

6.1 (a) Tenant shall use the Premises solely for general, executive and administrative offices ("Permitted Use"), and for no other use or purpose. In all events, the Permitted Use shall not include: (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign government or political subdivision thereof which are entitled to any diplomatic or other form of sovereign immunity or otherwise not amenable to service of process in New Jersey; (iii) offices of any health care professionals, including, without limitation, doctors' offices and laboratories; (iv) schools or other training facilities other than for its employees; (v) retail or restaurant uses; (vi) broadcast studios or other broadcast production facilities, such as radio and/or television stations; (vii) offices at which deposits or bills are regularly paid in person by customers; (viii) personnel agencies (excluding Tenant's personnel or human resources department); (ix) meeting facilities open to the public; (x) office suites or business suites; and (xi) offices used for telemarketing or so-called "call" center purposes. However, the foregoing restrictions shall not be deemed in any way to limit Landlord's right to lease other portions of the Building or the Complex to a tenant(s) of Landlord's choice. In all events, Tenant's use of the Premises is subject to all present and future Legal Requirement and Insurance Requirements, and covenants, conditions, restrictions and other matters of record.

(b) Tenant shall not use or occupy the Premises for any unlawful purpose, or in any manner that would violate any certificate of occupancy for the Premises or the Building, or that would constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant or occupant of the Building, or that would overload the plumbing or mechanical systems of the Premises or the Building, or exceed the floor load which any floor in the Premises was designed to carry, and Tenant shall not permit or suffer the emission of objectionable odors or noise. In addition, Tenant shall not use or occupy the Premises in any manner that would increase the number of parking spaces, as mandated by Legal Requirements, based upon a fully occupied Building and Complex.

(c) If any Legal Requirement necessitates obtaining an occupancy or use permit or license for the Premises or the operation of the business conducted therein, Tenant shall obtain and keep current such permit or license at Tenant's expense, and shall promptly deliver a copy thereof, including copies of all renewals thereof, to Landlord. Tenant shall not conduct any retail sales, promotions, advertising, special events or any other business activities of any nature which are open to the general public in the Complex, whether inside or outside of the Premises, other than as expressly provided by the Permitted Use.

(d) Landlord represents that (i) there is presently a valid permanent certificate of occupancy for the Building that permits use or occupancy of the Premises for the Permitted Use, (ii) as of the date hereof, no violation exists or has been noted against the Premises, (iii) the Building and the Premises are in full compliance with all handicapped access requirements, and (iv) the Premises are free of all asbestos, asbestos-containing materials and other hazardous substances. Landlord covenants that at the time of delivery of the Premises to Tenant, the Premises will be free of material defects in materials and workmanship and in compliance with Legal Requirements and that Building Systems will be in good operating order, condition and repair.

(e) Except in the event of an emergency, Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week, throughout the Term of the Lease.

ARTICLE VII
ASSIGNMENT AND SUBLETTING

7.1 (a) Tenant shall not assign or transfer (collectively, "assign") this Lease or all or any of Tenant's rights hereunder or interest herein by operation of law or otherwise, or sublet or otherwise license or permit anyone to use or occupy (collectively, "sublet") the Premises or any part thereof, or mortgage, pledge, hypothecate or otherwise encumber (collectively, "encumber") this Lease, without, in each case, obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment or encumbrance of this Lease or of all or any of Tenant's rights hereunder or interest herein, and any attempted sublet or permission to use or occupy the Premises or any part thereof, other than strictly in accordance with this Article VII, shall be void and of no force or effect and shall constitute an immediate Event of Default hereunder. No assignment, subletting or encumbrance, or Landlord's consent thereto, or Landlord's collection or acceptance of rent from any assignee, subtenant or other party, shall be construed as a waiver or release of the initial named Tenant (or any prior assignees or Guarantors hereunder) from any of its or their liabilities or obligations under this Lease, and all of such parties shall remain jointly and severally primarily liable hereunder, notwithstanding anything to the contrary contained in this Lease or any guaranty of this Lease. In addition, Landlord's consent to any proposed assignment, subletting or encumbrance shall not be construed to relieve Tenant or any permitted assignee, subtenant or other party from the obligation of obtaining Landlord's prior written consent to any subsequent assignment, subletting (or sub-subletting, as the case may be) or encumbrance. As security for this Lease, Tenant hereby assigns to Landlord the rent due from any subtenant or other occupant of the Premises. For any period during which Tenant is in default hereunder, Tenant hereby authorizes each such subtenant or other occupant to pay said rent directly to Landlord upon receipt of notice from Landlord specifying same. Landlord's collection of such rent shall not be construed as either an approval of such occupancy under this Article VII (if Tenant has theretofore failed to comply with the provisions of this Article VII) or an acceptance of such subtenant or other occupant as a tenant. Tenant shall pay to Landlord, as Additional Rent, all reasonable third-party expenses (including reasonable attorneys' fees and accounting costs) actually incurred by Landlord in connection with Tenant's request to assign or encumber this Lease, or sublet all or any part of the Premises, which amounts shall be paid within ten (10) days after Landlord's written demand therefor, whether or not Landlord consents thereto.

(b) If at any time during the Term Tenant desires to assign this Lease or sublet all or part of the Premises, then Tenant shall notify Landlord at least thirty (30) days in advance ("Tenant's Request Notice") and advise Landlord of: the identity of the proposed assignee, or subtenant and a description of its business; the terms of the proposed assignment or subletting; the commencement date of the proposed assignment or subletting (the "Proposed Transfer Commencement Date"); if, applicable, the area proposed to be sublet (the "Proposed Sublet Space"); the most recent financial statement or other evidence of financial responsibility of such proposed assignee or subtenant; and a certification executed by Tenant and such party stating whether or not any premium or other consideration is being paid for the assignment, or sublease

(and, if any premium or other consideration is being paid; stating in reasonable detail the amount and calculation thereof). Provided that there is no continuing Event of Default, and subject to Landlord's rights pursuant to Section 7.3 below, Landlord shall not unreasonably withhold, delay or condition its consent to a proposed assignment of this Lease or a proposed subletting of the Premises. Without limitation, Landlord may withhold such consent if, in the reasonable exercise of its reasonable judgment, it determines that:

(i) the use of the Premises pursuant to such assignment or sublease would not be in compliance with Article VI hereof; or

(ii) the proposed assignee or subtenant is not of a type and quality consistent and compatible with first-class office buildings located in the Geographic Area (and the tenants of such buildings); or

(iii) The financial condition of the proposed assignee under any such assignment or the proposed sublessee under any such sublease is not sufficient given the obligations required; or

(iv) the proposed assignee's or subtenant's occupancy will cause an excessive density of traffic or make excessive demands on the services, maintenance or facilities of the Building or the Common Areas; or

(v) the proposed assignee or subtenant is a tenant in the Complex at the time of Landlord's receipt of Tenant's Request Notice, or a party with whom Landlord or its affiliates has negotiated for the leasing of office space within the Geographic Area during the immediately preceding six (6) months and in either case Landlord has comparable space available in the Complex to lease to such party; or

(vi) it wishes to recapture the space as provided in Section 7.3.

7.2 Intentionally Omitted.

7.3 Except for the transactions identified in Section 7.9 below, Landlord shall have the right in its sole and absolute discretion to: (i) terminate this Lease in the case of any proposed assignment of this Lease; or (ii) terminate this Lease either in its entirety or only as it relates to the Proposed Sublet Space in the case of a proposed subletting of all or substantially all of the Premises; or (iii) to terminate this Lease only as it relates to the Proposed Sublet Space in the case of a proposed subletting of less than all or substantially all of the Premises for substantially the entire remaining term of this Lease. If Landlord elects to exercise its rights under this Section 7.3, it will send Tenant written notice of such termination within ten (10) business days after Landlord's receipt of Tenant's Request Notice. If Landlord exercises its option to terminate this Lease only with respect to the Proposed Sublet Space under clause (iii) above, then (a) Tenant shall tender the Proposed Sublet Space to Landlord on the Proposed Transfer Commencement Date in the condition required pursuant to Section 22.3 hereof, at which time such space shall thereafter be deleted from the Premises, and (b) as to that portion of the Premises which is not part of the Proposed Sublet Space, this Lease shall remain in full force and effect, except that Base Rent, Additional Rent, the number of Parking Permits, and any other items which are determined on a per square foot basis shall (notwithstanding anything contained

in this Lease to the contrary) be proportionately reduced, based on the amount of square footage deleted from the Premises in relation to the total square footage in the Premises immediately prior to such termination. If Landlord exercises its option under either clause (i) or clause (ii) above to terminate this Lease in its entirety, then Tenant shall tender the entire Premises to Landlord on the Proposed Transfer Commencement Date in the condition required pursuant to Section 22.3 hereof, at which time the Lease shall terminate. Notwithstanding the foregoing provisions of this Section 7.3, Landlord shall not have the right to terminate this Lease (either as to the entire Premises or the Proposed Sublet Space) in the case of an assignment or sublease under Section 7.9.

7.4 If any sublease or assignment requires that the subtenant or assignee pay any amount in excess of the rental and other charges due under this Lease (except that in the case of a sublease of less than all of the Premises, such rental and other charges shall be pro rated on a per square foot basis prior to such calculation), then whether such excess be in the form of an increased monthly or annual rental, a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, leasehold improvements, furniture and other personal property, or any other form, Tenant shall pay to Landlord, prior to (and at Landlord's option, as a condition of) the Proposed Transfer Commencement Date, fifty percent (50%) of any such excess or other premium received by Tenant with respect to the sublease or assignment after deducting from the total amount of such excess or other premium any improvement allowances paid by Tenant to the assignee or subtenant, and any brokerage commissions and counsel fees incurred by Tenant in connection with such assignment or subletting, all such expenses to be amortized over the term of the sublease (in the case of a sublease) or over the term of this Lease (in the case of an assignment where the consideration is not paid in a lump sum and is paid over the balance of the term of this Lease. Acceptance by Landlord of any payments due under this Section 7.4 shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any assignment or sublease.

7.5 All restrictions and obligations imposed on Tenant pursuant to this Lease shall be deemed to extend to any assignee, subtenant, licensee, concessionaire or other occupant or transferee, and Tenant shall cause all such parties to comply with such restrictions and obligations. As a condition to the effectiveness of any assignment or subletting hereunder, Tenant shall deliver to Landlord prior to, and as a condition of, the Proposed Transfer Commencement Date (i) in the case of an assignment, a fully-executed assignment and assumption agreement which provides, among other things reasonably required by Landlord, that Tenant remains jointly, severally, and primarily liable hereunder; and (ii) in the case of a sublet, a fully executed sublease which provides, among other things reasonably required by Landlord, that such sublease is; (x) subject and subordinate to all the terms and provisions of this Lease; and (y) subject to the condition that if the Term is terminated or Landlord succeeds to Tenant's interest in the Premises by voluntary surrender or otherwise then, at Landlord's option, in its sole and absolute discretion, the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then-executory terms of such sublease.

7.6 Intentionally omitted.

7.7 If Landlord's consent to an assignment or subletting is given, and such transaction does not become fully binding upon the parties thereto and effective within three (3) months of the Proposed Transfer Commencement Date for any reason, then Landlord's consent to such transaction shall be deemed null and void, and Tenant's compliance with the provisions of Section 7.1 and 7.3 shall again be necessary in the event Tenant desires to assign this Lease or sublease all or any portion of the Premises, even in connection with the same transaction as that initially proposed by Tenant in the Tenant Request Notice.

7.8 Tenant hereby indemnifies, defends and holds Landlord and Landlord's Agents harmless from and against any and all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) that may be made against Landlord and/or Landlord's Agents based on, arising out of, or in any way relating to (directly or indirectly, in whole or in part) any assignment or encumbrance (or attempted assignment or encumbrance) of this Lease, or any subletting (or attempted subletting) of any part of the Premises including, without limitation, claims by (i) any assignee or subtenant or proposed assignee or subtenant, or (ii) any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease, or any termination of this Lease by Landlord pursuant to Section 7.3 above.

7.9 Notwithstanding anything contained in this Article VII to the contrary, Landlord's consent shall not be required pursuant to Section 7.1, Landlord shall have no right to recapture the Premises or any part thereof pursuant to Section 7.3 and no sums shall be payable to Landlord pursuant to Section 7.4 in connection with (i) transfers of stock, partnership, membership or other equity interests in Tenant, (ii) any sublease or assignment to, or occupancy by, any party directly or indirectly controlling, controlled by or under common control with Tenant or its shareholders, members or other equity-owners ("control" and its variants meaning ownership of more than fifty (50%) percent of the equity interests in the party in question); (iii) Tenant's assignment of the Lease to any purchaser of Tenant's business or all or substantially all of Tenant's assets or equity interests; or (iv) an assignment of the Lease to any entity that is a successor to Tenant by merger, consolidation or other reorganization; provided that in all such cases: (x) there is no continuing Event of Default; (y) the principal purpose of such transaction is not the acquisition of Tenant's interest in this Lease and is not made to circumvent the provisions of this Article VII, and (z) Tenant notifies Landlord of any such transaction and provides Landlord with fully executed counterparts of all relevant documents within ten (10) days after the effective date of the transaction in question. Furthermore, if Tenant is a partnership or limited liability company, as the case may be, the admission of new partners or members, the withdrawal, retirement, death, incompetency or bankruptcy of any partner or member, or the reallocation of partnership or membership interests among the partners or members shall not constitute an assignment of the Lease, provided that the principal purpose of any of the foregoing is not to circumvent the restrictions on transfers contained herein.

ARTICLE VIII
MAINTENANCE AND REPAIRS; COMPLIANCE WITH LAWS

8.1 Except as otherwise provided in this Lease, Landlord shall keep all structural portions of the Building and the Premises (which shall include but not be limited to the structural support beams, load-bearing elements, foundations, exterior and structural walls, support

columns, and roof of the Building), and the mechanical, electrical, HVAC and plumbing systems, pipes and conduits that are provided by Landlord in the operation of the Building (collectively, the "Building Structure and Systems"), and all Common Areas, in good repair, free from leaks, and in good operating condition, and Landlord will also make repairs thereto promptly after notice from Tenant of the need for same and Landlord's confirmation thereof. Notwithstanding any of the foregoing to the contrary, maintenance and repair of special Tenant areas, facilities, finishes and equipment (including, but not limited to, any special fire protection equipment, telecommunications and computer equipment, kitchen/galley equipment, all other fixtures furnishings and equipment of Tenant located in the Premises, as well as all Alterations (as hereinafter defined), shall be the sole responsibility of Tenant and in no event shall same be deemed to be a part of the Building Structure and Systems. Landlord shall have no the obligation to make any repairs brought about by any act or omission of Tenant or Tenant's Agents, but shall have the right to do so, pursuant to Section 8.2 below.

8.2 Except for such items of maintenance, repair and replacement that are specifically Landlord's obligation pursuant to Section 8.1 above, Tenant shall, at its sole cost and expense, perform all maintenance and promptly make all repairs and replacements in and to the Premises that are necessary or desirable to keep the Premises in good order, condition and repair, in a clean, safe and tenantable condition, and otherwise in accordance with all Legal Requirements, Insurance Requirements, and the requirements of this Lease (including, without limitation, the provisions of Article IX pertaining to Alterations), reasonable wear and tear and damage by fire or other casualty. Without limiting the generality of the foregoing Tenant, shall at its sole cost and expense, shall perform all maintenance and promptly make all repairs and replacements to, and keep in clean, safe and sanitary condition: (i) special Tenant areas, facilities, finishes and equipment (including, but not limited to, any special fire protection equipment, telecommunications and computer equipment, kitchen/galley equipment, and all other fixtures, furnishings and equipment of Tenant located in the Premises or exclusively serving the Premises [wherever located]); (ii) any heating, air-conditioning, electrical, ventilating, plumbing or mechanical equipment or systems installed by or on behalf of Tenant exclusively serving the Premises (wherever located), or within and serving the Premises (whether or not on an exclusive basis); (iii) all interior glass, window panes (excluding Building windows) and doors, including the entrance door(s) into the Premises; and (iv) all Alterations. Tenant shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof. Except as otherwise provided in Article XVII, all injury, breakage and damage to the Premises and to any other part of the Building, the Property or the Complex caused by any act or omission of Tenant or Tenant's Agents shall be repaired at Tenant's expense, either by Tenant or by Landlord on behalf of Tenant as set forth in this Section 8.2. Notwithstanding any other section of this Lease to the contrary, Landlord shall have the right, at Landlord's option, to make (or to cause its designated contractor or subcontractor to make): (i) any repairs which connect to or may otherwise involve interaction with the Building Structure and Systems, or require alterations to any portion of the Building outside of the Premises, or within any other portions of the Complex, or which require a building permit; (ii) any repairs to the Premises which are otherwise the responsibility of Landlord hereunder, but are caused by the act or omission of Tenant or Tenant's Agents; and (iii) any repairs to any other part of the Building, the Property or the Complex caused by any act or omission of Tenant or Tenant's Agents; and in any such case Tenant shall reimburse Landlord for all costs incurred in connection with such work, plus a charge of five percent (5%) for administrative cost recovery,

as Additional Rent, within thirty (30) days following Tenant's receipt of an invoice therefor. Notwithstanding anything herein, Tenant shall not clean, nor allow any window in the Premises to be cleaned, from the outside, except by Landlord's designated contractor. Landlord covenants that at the time of delivery of the Premises to Tenant, all systems and equipment provided by Landlord that exclusively serve the Premises shall be in good operating condition and repair.

8.3 Tenant shall, in a timely manner and at its sole cost and expense, comply with all Legal Requirements and Insurance Requirements, including, without limitation, the ADA, whether foreseen or unforeseen, or ordinary or extraordinary, arising out of the particular use of the Premises by Tenant for uses other than the Permitted Use, and not required of office tenants generally, but Tenant may contest, appeal and defer compliance with the same provided that Landlord is not subject to prosecution for a criminal offense by reason of such non-compliance by Tenant. In the event any such compliance obligation requires Alterations which would connect to or otherwise involve interaction with the Building Structure and Systems, or require alterations to any portion of the Building outside of the Premises, or within any other portions of the Complex, or requires a building permit, Landlord shall have the right, but not the obligation, to perform such work, in which case Tenant shall be responsible for the cost thereof, plus a charge of five percent (5%) for administrative cost recovery, and shall reimburse Landlord, as Additional Rent for the cost thereof, within thirty (30) days following Tenant's receipt of an invoice therefor. Notwithstanding anything contained herein, with respect to the ADA only, the parties hereby agree that: (a) Tenant shall be responsible for ADA compliance in the Premises (subject to the provisions of this Section 8.3), including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, (b) Landlord may perform (as aforesaid) and Tenant shall be responsible for the cost of, or Landlord may require that Tenant perform, at its cost, ADA "path of travel" requirements triggered by improvements or Alterations in the Premises made by or on behalf of Tenant, and (c) Landlord may perform (as aforesaid), and Tenant shall be responsible for the cost of, or Landlord may require that Tenant perform, at its cost, ADA compliance in the Common Areas of the Property or the Complex necessitated as a result of the Building, the Property or the Complex in general being deemed to be a "public place of accommodation" as a result of Tenant's particular manner of use or occupancy of the Premises and not required of office tenants generally.

8.4 Landlord agrees to perform any repairs that it is required to make with reasonable diligence under the circumstances and with reasonable efforts to avoid interference with Tenant's use and occupancy of the Premises. All repairs to be made by Tenant pursuant to the Lease may be made by any contractor selected by Tenant so long as such contractor is reasonably satisfactory to Landlord.

ARTICLE IX
ALTERATIONS

9.1 Tenant shall not make or permit anyone to make any repairs (whether required pursuant to Section 8.2 or otherwise), alterations, decorations, additions, improvements or other changes (collectively, "Alterations"), whether structural or non-structural, interior or exterior, in or to the Premises, the Building or the Complex without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided however, Landlord shall be permitted to withhold its consent in Landlord's sole discretion if Tenant's

Alterations propose removing any common corridors or altering any ingress/egress conditions. Notwithstanding the foregoing, Landlord's consent shall not be required with respect to any decorative alteration such as painting, carpeting, wall covering and floor covering costing less than Seventy-five Thousand and 00/100 Dollars ($75,000) in the aggregate, provided that Tenant shall furnish to Landlord no less than ten (10) days' prior written notice with respect to the performance of such decorative alteration.

9.2 (a) In addition to the provisions of Section 9.1 above, any Alterations performed by Tenant (other than decorative alterations) shall be made: (i) promptly upon Tenant's compliance with the requirements of this Article IX, and thereafter diligently prosecuted to completion; (ii) in a good and first-class manner; (iii) using new materials only; (iv) by a contractor approved in advance by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned; (v) on days, at times and under the supervision of an engineer or architect approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned; (vi) in accordance with plans and specifications prepared by such engineer or architect, which plans and specifications shall include a reasonably detailed itemization of the estimated total hard and soft costs of such Alterations, and shall be approved in advance by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned); (vii) in accordance with all Legal Requirements and Insurance Requirements; (viii) only after having obtained and furnished to Landlord public liability, worker's compensation and so-called "builder's risk" insurance policies reasonably acceptable to Landlord, which policies shall cover all parties who will perform any work with respect to such Alterations; (ix) in accordance with all contracts, subcontracts, supply contracts, equipment leases, consulting agreements or similar documents, and any amendments thereto, which have been executed by Tenant in connection with the Alterations (proposed copies of which shall be provided to Landlord at least ten (10) days before execution thereof and Landlord may, but shall not be obligated to, review, approve or disapprove of same); (x) on the condition that Tenant shall provide to Landlord executed copies of the contracts and other documents specified in clause "(ix)" immediately above prior to the commencement of any work; (xi) on the condition that Tenant shall provide to Landlord written, unconditional waivers of mechanics' and materialmen's liens against the Premises, the Building and the Complex from all proposed contractors, subcontractors, laborers and material suppliers for all work, labor and services to be performed and materials to be furnished in connection with such Alterations (or, if such waivers are then prohibited by Legal Requirements, then Tenant shall provide to Landlord, on an ongoing basis on the first day of each month during the performance of such work, a complete and accurate list setting forth the names and addresses of each contractor, subcontractor, construction manager, design professional, supplier or other persons or entities providing work, services, materials or equipment to Tenant or for the benefit of the Premises who may have the right, under applicable Legal Requirements, to file a mechanic's lien or other encumbrance in connection therewith); (xii) in a manner that will not interfere with the use or occupancy by other tenants of the Building of their respective premises; (xiii) in a manner that will not risk damage to the remainder of the Building; (xiv) in accordance with all reasonable construction rules and regulations from time to time promulgated by Landlord. Promptly after the completion of any Alterations, Tenant, shall at its expense, deliver to Landlord three (3) sets of accurate as-built drawings showing such Alterations.

(b) Landlord's review and/or approval of any plans and specifications for Tenant's Alterations shall not constitute an assumption of any responsibility by Landlord for their accuracy, safety or sufficiency, and shall in no event create an express or implied confirmation that either Tenant's plans and specifications have been prepared in accordance with, or that the Alterations shown thereon or specified therein are in accordance with, Legal Requirements or Insurance Requirements.

(c) On request by Tenant, Landlord, at Tenant's expense, shall join in any applications for any permits, approvals or certificates from any governmental authority required to be obtained by Tenant in connection with any permitted Alterations, and shall sign such applications promptly after request by Tenant and shall otherwise cooperate with Tenant in connection therewith.

9.3 Alterations (including, without limitation, those involving the Building Structure and Systems) shall, at Landlord's election, be performed by Landlord or Landlord's designated contractor(s) at Tenant's expense (provided such contractors provide competitive pricing), and Tenant shall reimburse Landlord for all third party costs reasonably incurred in connection with such work, plus a charge of five percent (5%) for administrative cost recovery, as Additional Rent, within ten (10) days following Tenant's receipt of an invoice therefor. If Landlord elects not to perform such work, then Tenant shall pay to Landlord as Additional Rent, within ten (10) days after receipt of an invoice therefor, a construction supervision fee equal to two percent (2%) of the cost of such work.

9.4 Tenant and Tenant's Agents shall not do any act or make any contract which may create or be the foundation for any lien or other encumbrance upon any interest of Landlord or any Mortgagee in any portion of the Premises, the Building or the Complex, and, to the fullest extent permitted by the New Jersey Construction Lien Law, N.J.S.A. 2A:4A-1, et seq., or any other applicable Legal Requirement, Landlord's consent to the making of any Alterations shall not be deemed an agreement by Landlord to subject Landlord or any Mortgagee, or its or their interest in the Premises, the Building or the Complex, to any Lien (as hereinafter defined), charge or encumbrance which may be filed in connection with such permitted Alterations. It is expressly agreed that Landlord shall have no obligation to review any such contracts (notwithstanding the fact that same may have been delivered to Landlord), it being agreed by Landlord and Tenant that, to the fullest extent permitted by applicable Legal Requirements, any Liens by any contractor, subcontractor, construction manager, design professional, supplier or other persons or entities providing work, services, materials or equipment to Tenant or for the benefit of the Premises pursuant to such contracts shall attach only to the leasehold interest of Tenant. Tenant covenants and agrees to promptly pay all persons or entities furnishing or providing work, services, materials or equipment to Tenant or for the benefit of the Premises at the direction of Tenant or Tenant's Agents. If, because of any act or omission (or alleged act or omission) of Tenant or Tenant's Agents, any construction lien, claim or other lien, including, without limitation, any Notice of Unpaid Balance and Right to File Lien (collectively "Lien"), charge, or order for the payment of money or other encumbrance shall be filed against Tenant, Landlord or any Mortgagee, or against any portion of the Premises, the Building or the Complex (whether or not such Lien, charge, order, or encumbrance is valid or enforceable as such), Tenant shall notify Landlord of same immediately after Tenant is first notified, or otherwise becomes aware, thereof, and shall, at Tenant's own cost and expense, cause same to be discharged of

record by paying the claimant, obtaining a discharge and recording or filing same, as applicable, or by filing a surety bond or depositing funds with the Clerk of the Superior Court of New Jersey, as provided in N.J.S.A. 2A:4A-31, or by any other then-customary process with respect to the type of Lien or encumbrance involved; and Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) based thereon, arising therefrom or in any way relating thereto, directly or indirectly, whether in whole or in part, such indemnification obligation to survive the expiration or earlier termination of this Lease. If within ten (10) business days after first becoming aware of such filing, Tenant fails to cause such Lien or other encumbrance to be so discharged of record, bonded over or otherwise disposed of in accordance with any customary process as provided above, Landlord shall have the option of discharging or bonding any such Lien or other encumbrance, and Tenant agrees to reimburse Landlord, as Additional Rent, for all costs, expenses and other sums of money incurred by Landlord in connection therewith, with interest thereon at the Default Interest Rate from the date such cost was incurred, until repaid in full. All materialmen, contractors, artisans, mechanics, laborers, and any other persons or entities now or hereafter contracting with Tenant or Tenant's Agents or any contractor or subcontractor of Tenant or Tenant's Agents for the furnishing of any labor, services, materials, supplies, or equipment with respect to any portion of the Premises, the Building or the Complex at any time from the date hereof (whether or not Landlord has consented thereto), are hereby charged with notice that they look exclusively to Tenant for payment of same.

9.5 Tenant shall not, at any time directly or indirectly employ, or permit the employment of, any contractor, mechanic or laborer, whether in connection with an Alteration or otherwise, if in Landlord's opinion such employment would interfere, cause any conflict, or create any difficulty, strike or jurisdictional dispute with, other contractors, mechanics or laborers engaged in the construction, maintenance, repair or operation of the Building or the Complex by Landlord, Tenant or others. In the event of any such interference, conflict, difficulty, strike or jurisdictional dispute, Tenant shall, upon demand of Landlord, cause all contractors, mechanics or laborers causing the same to leave the Complex immediately.

9.6 If any Alterations (other than decorative alterations) are made without the prior written consent of Landlord, Landlord shall have the right, at its option and in addition to Landlord's other rights and remedies, to either require Tenant to remove such Alterations and restore the affected portion(s) of the Premises, the Building or the Complex, as applicable, to their condition immediately prior thereto, or to do so on Tenant's behalf, in which case Tenant shall reimburse Landlord as Additional Rent for the cost of such removal and restoration, with interest at the Default Interest Rate, from the date such cost was incurred until repaid in full, within ten (10) days after receipt of an invoice therefor. All Alterations to the Premises, the Building and/or the Complex made by either party shall become the property of Landlord and shall remain upon and be surrendered with the Premises at the expiration or earlier termination of the Term; provided, however, that (a) Tenant shall have the right to remove, and at Landlord's direction shall remove, upon the expiration or earlier termination of the Term, all movable furniture, furnishings, trade fixtures and other personal property of Tenant located in the Premises solely at the expense of Tenant, (b) Tenant shall remove, upon the expiration or earlier termination of the Term, all personal property of Tenant's Agents located in the Premises, and (c) Tenant shall remove all non-standard office Alterations in the Premises or the Building

(including, without limitation, any wiring and cabling located in risers outside the Premises) which Landlord designates in writing for removal at the time Landlord approved such Alterations. Tenant shall, at its expense, repair all damage and injury to the Premises or the Building caused by any removal and restore same to the condition in which it existed prior to such installation, reasonable wear and tear and damage by fire and other casualty excepted. Notwithstanding anything contained herein to the contrary, Tenant shall have no obligation to demolish and/or restore any Alterations constituting standard office fit-up nor shall Tenant have any obligation to remove any Alterations or improvements existing in the Premises as of the Commencement Date. Tenant's obligations under this Section 9.6 shall survive the Expiration Date or earlier termination of this Lease.

9.7 Anything contained in this Lease to the contrary notwithstanding, to the extent Landlord has either (i) provided Tenant with value (by way of a construction allowance or otherwise), or (ii) granted a credit to Tenant (by way of a rent concession or otherwise) for the express or implied purpose of funding, in whole or in part, Tenant's fit-up costs (whether in connection with the work performed by or on behalf of Tenant in fitting up the Premises on or about the Commencement Date, or at any later time during the Term), the fit-up work, fixtures, non-moveable equipment and machinery, and appurtenances funded thereby (hereinafter collectively referred to as the "Landlord Funded Improvements") shall remain the property of Landlord and may not be removed by Tenant at any time during the Term without Landlord's prior written consent, and shall remain in the Premises upon the expiration or earlier termination of this Lease, unless Landlord directs otherwise pursuant to Section 9.6 above. Landlord alone shall be entitled to depreciate the Landlord Funded Improvements as an asset for tax purposes.

ARTICLE X
SIGNS

10.1 Tenant shall be entitled, at no cost to Tenant, to one (1) listing on the Building directory located in the lobby. Landlord shall maintain a tenant directory in the lobby of the Building and include Tenant's business name thereon. Landlord reserves the right to install and display signs, advertisements and notices of any kind on any portions of the exterior or interior of the Building, and elsewhere in the Complex, as Landlord (or the other owner(s) of the Complex, as the case may be) may elect.

10.2 Provided Tenant is the sole occupant of all leaseable space in the Building, Tenant, at its sole cost and expense and subject to Landlord's prior approval of Tenant's plans and specifications including, but not limited to, the color, size and style (which approval shall not be unreasonably withheld, delayed or conditioned) may install one (1) sign containing the name and logo of Tenant on the exterior of the Building (the "Building Signage"). Except for any utility costs associated with the Building Signage, Tenant shall not be obligated to pay any Additional Rent or charge in connection with the Building Signage. Landlord hereby confirms it shall permit Tenant's logo and trade colors. Tenant shall, at its sole cost and expense, obtain any necessary municipal approvals. Landlord, at Tenant's expense, shall reasonably cooperate with Tenant in its efforts in so obtaining said municipal approvals. If (a) Tenant assigns this Lease (other than pursuant to Section 7.9), or (b) Tenant has sublet more than 15% of the Premises of the space in the Building (other than pursuant to Section 7.9), then, (i) Tenant shall have no rights and Landlord shall have no obligations under this Section and (ii) if Tenant has already

exercised its rights under this Section, then, Landlord may, at Tenant's reasonable expense, remove all or any of the signs that constitute the Building Signage and may restore, at Tenant's reasonable expense, any damage or injury that said removal may have caused other than damage resulting from Landlord's negligence or misconduct. Upon the expiration or earlier termination of the Lease, Tenant shall, at Tenant's expense, remove the Building Signage and shall restore, at Tenant's sole expense, any damage or injury that said removal may have caused. Tenant's obligations under this Section 10.2 shall survive the expiration or earlier termination of this Lease.

10.3 Subject to compliance with all Legal Requirements, Tenant shall have the right, at Tenant's sole cost and expense, to install a single exterior ground mounted monument sign (the "Monument Sign") adjacent to the main Building entrance and affix Tenant's business name ("Tenant's Monument Panel") on the Monument Sign. Landlord, at Tenant's expense, shall reasonably cooperate with Tenant in its efforts in so obtaining any municipal approvals for the Monument Sign. The design and specifications for Tenant's Monument Panel, and the design and specifications for the letters and symbols used in connection therewith, shall be subject to applicable Legal Requirements and the prior written approval of Landlord, which approval shall not be unreasonably withheld, delayed or conditioned, provided Tenant has submitted to Landlord a plan or sketch thereof in reasonable detail, showing, without limitation, size, color, location, materials and method of affixation, and all elements thereof, including the letters and symbols thereon, conform to Landlord's signage standards as adopted from time to time in its reasonable discretion. If at any time during the Term Tenant's Monument Panel becomes worn or is otherwise in need of replacement, Tenant shall replace Tenant's Monument Panel at Tenant's expense. Upon the expiration or earlier termination of the Lease, Tenant shall, at Tenant's expense, remove Tenant's Monument Panel and shall restore, at Tenant's sole expense, any damage or injury that said removal may have caused. Tenant's obligation to pay Landlord in accordance with this Section 10.3 shall survive the expiration or earlier termination of this Lease.

ARTICLE XI
SECURITY DEPOSIT

11.1 Intentionally deleted.

ARTICLE XII
LANDLORD'S INSPECTION OF AND ACCESS TO THE PREMISES

12.1 Tenant shall permit Landlord and Landlord's Agents to enter the Premises at all reasonable times on not less than one (1) business day notice (except in the case of an emergency in which event no advance notice shall be necessary): (i) to examine, inspect or protect the Premises and the Building; (ii) to make such alterations and/or repairs as Landlord is permitted to make under the terms of this Lease; (iii) to exhibit the same to purchasers, lenders, and, during the final six (6) months of the Term, to brokers and prospective tenants; and (iv) if any excavation or other substructure work shall be made or authorized to be made upon land adjacent to the Building or the Land, to perform such work as is required to preserve the walls of the Building and to preserve the Land from injury or damage and to support such walls and land by proper foundations. Landlord shall be allowed to take all material into and upon the Premises that may be required for such repairs or alterations or otherwise. Except in the event of an

emergency, Landlord shall endeavor to minimize disruption to Tenant's normal business operations in the Premises in connection with any such entry. Upon completion of any such work, Landlord shall restore the Premises to the condition existing before such work. Any such entry pursuant to this Article XII shall not be deemed to constitute an eviction of Tenant in whole or in part, and the Base Rent and Additional Rent payable under this Lease shall not abate during any such entry. Landlord shall have no liability to Tenant for any inconvenience or interruptions caused by the making of such repairs or alterations, or by such entry by Landlord or Landlord's Agents pursuant to any provision of this Lease. Nothing in this Section 12 shall be construed to impose upon Landlord any greater or additional obligations to inspect, maintain or repair the Premises beyond those specific obligations expressly imposed upon Landlord pursuant to this Lease.

ARTICLE XIII
INSURANCE

13.1 (a) Throughout the Term, Tenant shall obtain and maintain the following insurance:

(1) commercial general liability insurance (written on an occurrence basis) including contractual liability coverage insuring the indemnity obligations assumed by Tenant under this Lease, premises and operations coverage, broad form property damage coverage and independent contractors coverage, and containing an endorsement for personal injury, in minimum amounts of not less than One Million Dollars ($1,000,000) combined single limit per occurrence, with a Two Million Dollar ($2,000,000) annual aggregate, together with umbrella or excess liability coverage in an amount not less than Three Million Dollars ($3,000,000);

(2) business interruption insurance or rent loss insurance (or a comparable policy of insurance providing the same benefits), in minimum amounts of not less than twelve (12) times the monthly Base Rent and estimated Additional Rent then in effect during any Lease Year;

(3) all-risk property insurance covering all perils and contingencies as may be required by Landlord or its Mortgagee, including, in all events, coverage for fire, lightning, windstorm, hail, explosion, terrorism, vandalism and malicious mischief, riot and civil commotion, and smoke, with a replacement cost endorsement insuring one hundred (100%) percent of the replacement cost of all Alterations and other improvements made by or on behalf of Tenant and all contents of the Premises (including, without limitation, Tenant's trade fixtures and other personal property);

(4) comprehensive automobile liability insurance (covering all owned, if any, non-owned and hired vehicles), in an amount of not less than One Million Dollars ($1,000,000) for each accident;

(5) worker's compensation insurance, in minimum limits as required by the State of New Jersey (as the same may be amended from time to time), for all employees of Tenant engaged in any work on or about the Premises;

(6) employer's liability insurance, in an amount not less than One Million Dollars ($1,000,000) for each accident, One Million Dollars ($1,000,000) disease-policy limit, and One Million Dollars ($1,000,000) disease-each employee, (or such greater amount as may be mandated by Legal Requirements), for all employees of Tenant engaged in any work on or about the Premises;

(7) in amplification of the insurance requirements relating to Alterations set forth in Section 9.2 above, but without limitation thereof, for any period during which construction (other than Landlord's Work) is being performed by or on behalf of Tenant in or about the Premises, builder's all-risk insurance (completed value non-reporting form), covering all perils and contingencies as may be required by Landlord or its Mortgagee, including, in all events, coverage for vandalism and malicious mischief with a replacement cost endorsement; and

(8) if Tenant shall use the Premises for entertaining or for any other social function (including parties and/or receptions for clients, customers, employees and/or others) at which any alcoholic beverages are served, Tenant shall obtain an endorsement to its policy of commercial general liability insurance (if such coverage is not already provided by such policy) providing host liquor liability coverage of not less than One Million Dollars ($1,000,000) for bodily injury and property damage liability in anyone occurrence and, if Tenant shall have contracted with a third party to serve such alcoholic beverages, Tenant shall also cause such third party to obtain an endorsement to its policy of commercial general liability insurance (if such coverage is not already provided by such policy) providing liquor liability coverage of not less than One Million Dollars ($1,000,000) for bodily injury and property damage liability in anyone occurrence; provided, however, that nothing contained in this Section 13.1(a)(8) shall be construed to permit Tenant to use the Premises for any use or purpose other than the Permitted Use.

(b) All insurance required hereunder to be carried by Tenant shall: (i) be issued by companies that are licensed to do business in the State of New Jersey and have been approved in advance by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned), and each such company shall have a rating from A.M. Best Company, Inc. (or a comparable successor rating company if A.M. Best Company, Inc. discontinues publishing Best's Insurance Guide) of "A" or higher and a financial size of "X" or higher; (ii) name Landlord, the managing agent of the Building and any Mortgagee as additional insureds; (iii) be primary and non-contributory; (iv) contain an endorsement for cross liability and severability of interests; and (v) not contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Premises against the peril involved, whether collectible or not. No such policy shall contain any deductible provision in excess of $25,000 except as otherwise approved in writing by Landlord (and in such case, Tenant shall, and hereby agrees to, indemnify, defend, and hold Landlord and Landlord's Agents harmless from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses [including litigation costs and attorneys' fees] beginning with the first dollar, whenever such deductible applies to a claim). Neither the issuance of any insurance policy required under this Lease nor the minimum limits specified herein or the amount of Tenant's deductable shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

(c) Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts and/or different types of insurance if it becomes customary for landlords of first-class office buildings of the type and quality located in the Geographic Area to require similar sized tenants in similar industries to carry insurance of such higher minimum amounts or of such different types.

(d) Tenant shall deliver certificate(s) of all such insurance and paid receipts therefor to Landlord prior to the earlier of: (i) the Commencement Date; or (ii) Tenant's first entry onto the Premises for any reason, and thereafter, not less than thirty (30) days prior to the expiration of any such policy (and, upon Landlord's request, Tenant shall promptly deliver copies of all insurance policies, including endorsements and declarations thereto).

(e) Promptly after learning thereof, Tenant shall give Landlord notice in case of fire, theft or accident in the Premises, and in the case of fire, theft or accident in the Building and/or the Complex, if involving Tenant or Tenant's Agents.

(f) Each of Landlord and Tenant shall secure an appropriate clause, or an endorsement upon all applicable policies of insurance, pursuant to which the respective insurance companies waive subrogation or permit the insured, prior to any loss, to agree with a third party to waive any claim Landlord or Tenant, as the case may be, may have against said third party. Such waiver shall in all events extend to Tenant and Tenant's Agents and to Landlord and Landlord's Agents, as the case may be. Notwithstanding any provision of this Lease to the contrary, (i) Landlord hereby releases Tenant and Tenant's Agents with respect to any claim Landlord may have against Tenant and Tenant's Agents which is insured against under any insurance policy that Landlord carries, or would be insured against if Landlord carried the insurance required pursuant to this Lease (whether or not Landlord is, in fact then carrying such required insurance), regardless of whether the act or omission of Tenant or Tenant's Agents caused or contributed to such loss, and (ii) Tenant hereby releases Landlord and Landlord's Agents with respect to any claim Tenant may have against Landlord or Landlord's Agents which is insured against under any insurance policy that Tenant carries, or would be insured against if Tenant carried the insurance required pursuant to this Lease (whether or not Tenant is, in fact then carrying such required insurance), regardless of whether the act or omission of Landlord or Landlord's Agents caused or contributed to such loss. In the event Landlord or Tenant is a self-insurer or maintains a deductible, then (i) Landlord hereby releases of Tenant and Tenant's Agents from any liability arising from any event which would have been covered had the required insurance been obtained and/or the deductible not been maintained, and (ii) Tenant hereby releases Landlord and Landlord's Agents from any liability arising from any event which would have been covered had the required insurance been obtained and/or the deductible not been maintained. In no event shall the foregoing be deemed to imply that Tenant may self-insure and/or maintain a deductible with respect to any insurance required hereunder.

(g) In the event Tenant fails to maintain any of the insurance required hereunder, Landlord shall have the right, but not the obligation, without waiving any other rights to which it may be entitled as a result of such default, to obtain any or all of such insurance for the account of Tenant, and in such case Tenant shall reimburse Landlord for the cost thereof, as Additional Rent, within ten (10) days after receipt of Landlord's bill therefor.

13.2 Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the Property or the Complex which will in any way increase the rate of fire insurance or other insurance on the Property or the Complex. If any increase in the rate of fire insurance or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay to Landlord as Additional Rent within 10 days of receipt of an invoice therefor, the amount of such increase. The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof. The foregoing provisions of this Section 13.2 shall not be construed as a grant to Tenant to utilize any portions of the Complex outside of the Premises, or to utilize the Premises for any use or purpose other than the Permitted Use.

13.3 Landlord agrees to carry and maintain property insurance covering fire and other casualties normally covered by a standard "special form" policy, with respect to the Property, including all leasehold improvements that are so affixed as to be deemed to be a part of the real estate for insurance purposes or which are covered by Landlord's replacement cost policy (collectively, "Leasehold Fixtures"), in an amount deemed prudent by Landlord or its Mortgagee, but in any event in an amount required by its insurance company to avoid the application of any co-insurance provision. Landlord also agrees to carry and maintain (or cause to be carried and maintained) commercial general liability insurance with respect to the Common Areas in limits Landlord or its Mortgagee reasonably deems appropriate.

ARTICLE XIV
SERVICES AND UTILITIES

14.1 Landlord will furnish:

(a) heating, ventilating and air conditioning to the Premises and interior Building Common Areas during Building Hours (except on Building Holidays) in the seasons when, as the case may be, air conditioning or heating is required, in Landlord's reasonable judgment, sufficient to provide comfortable operating conditions for general office use consistent with similar office buildings in the Geographic Area;

(b) janitorial service to the Premises Mondays through Fridays (or, at Landlord's option, Sundays through Thursdays), excluding Building Holidays, in accordance with the specifications contained in Exhibit E attached hereto and made a part hereof;

(c) hot and cold water in public restrooms for ordinary drinking and lavatory purposes;

(d) electricity to the Premises as and to the extent provided in Section 14.5 below; and

(e) elevator service to the floor(s) of the Building on which the Premises is located at all times.

In addition, Landlord will otherwise operate, maintain, repair and clean (or cause to be operated, maintained, repaired and cleaned) the Building Common Areas and the Complex Common Areas in reasonably good order and condition.

14.2 If Tenant requires air-conditioning or heating beyond Building Hours, Landlord will furnish same, provided Tenant gives Landlord sufficient advance notice of the need therefor and Tenant agrees to pay, in each instance of after-hours service, an "After-Hours HVAC Charge" which, as of the date hereof, is the fixed, agreed-upon sum of Forty-five and 00/100 ($45.00) Dollars per hour, without proration for partial hours of service, subject to upward adjustment by Landlord as of the first day of each Lease Year. As used in this paragraph, the "After-Hours HVAC Charge" shall be the commercially reasonable hourly rate determined by Landlord from time to time taking into consideration, among other things, the cost of utilities consumed, the expense of chemical treatment, preventative maintenance costs and personnel costs.

14.3 Tenant shall reimburse Landlord for the cost of removing from the Premises and the Building any excess refuse and rubbish generated or otherwise disposed of by Tenant (i.e., refuse and rubbish removal beyond the scope of refuse and rubbish removal included in the janitorial specifications set forth on Exhibit E), as well as the cost of removing any carpet stains not otherwise addressed in the janitorial specifications, and Tenant shall pay, as Additional Rent, all bills therefor when rendered.

14.4 Notwithstanding anything to the contrary contained herein, Landlord and Landlord's Agents shall not be liable for any failure to maintain comfortable atmosphere conditions in all or any portion of the Premises due to excessive heat generated by any equipment or machinery installed by Tenant (with or without Landlord's consent), or due to any impact that Tenant's furniture, equipment, machinery or millwork may have upon the delivery of heat or air-conditioning (as applicable) to the Premises, or due to the occupancy load of the Premises in excess of one (1) person per one hundred fifty (150) square feet of useable area, or due to events beyond the control of Landlord, nor shall Landlord or Landlord's Agents shall have any liability for failure to supply any utilities or other services hereunder when prevented from doing so by strikes, repairs, alterations or improvements or by reason of the failure of the utility company servicing the Building to furnish any such utility, or by order or regulation of any Legal Requirement or Insurance Requirement, or for any cause beyond Landlord's control, nor shall any such failure be deemed a constructive eviction of Tenant, or constitute a breach of any implied warranty, or entitle Tenant to any abatement of Rent or otherwise effect Tenant's obligations hereunder. Notwithstanding any other provisions of this Lease to the contrary, in the event that due to Landlord's or Landlord's Agents negligence or willful misconduct, the HVAC system, electricity, or other essential utility services required to be provided to the Premises under this Lease shall cease or be interrupted and such interruption thereby prevents Tenant from (and Tenant, in fact ceases) conducting all or a material portion of its business operations therein, and such cessation or interruption has not resulted from a failure by Tenant to perform any of its obligations hereunder or a casualty, then if such cessation or interruption and the resulting untenantability continues for a period of three (3) consecutive business days after Tenant gives Landlord written notice of said interruption or cessation, then Tenant shall be entitled to an appropriate abatement of rent following such three (3) business day period until the service is restored and the Premises rendered tenantable.

14.5 (a) Subject to the provisions of this Section 14.5, Landlord shall redistribute electric energy to service the Premises. Landlord's obligation to supply electric power to the Premises is limited to the Total Electrical Load set forth in Article I above for ordinary lighting and electric office equipment usage and for no other uses or purposes. To the extent there presently exists a submeter to measure electricity to any area of the Premises, Tenant shall pay to Landlord as Additional Rent, within thirty (30) days of receipt of a bill therefor, the charges for the electric energy so consumed as determined by said submeter, calculated at the then-current rate structure of the utility company supplying electric energy to the Building, plus any actual and reasonable out-of-pocket cost to read the meter.

(b) (i) Commencing on the Commencement Date, for any area of the Premises for which electricity usage is not measured by an existing submeter, Tenant shall pay to Landlord in consideration of Landlord's redistribution of electricity to the Premises as set forth in Section 14.5(a) above, an electric charge based upon the utility rate schedule(s) applicable to the Building (the "Electric Charge"), which shall be paid in estimated monthly payments, as provided herein. As of the date hereof, Landlord's estimate of the Electric Charge for the current calendar year is $1.75 per square foot (on an annualized basis), which Electric Charge is subject to change pursuant to Section 14.5(b)(iv) below. At the beginning of the Term and at the beginning of each calendar year thereafter, Landlord may submit a statement to Tenant setting forth, on an annualized basis, Landlord's reasonable estimate, for the forthcoming year, of such Electric Charge ("Estimated Electric Charge Statement"). Tenant shall pay to Landlord, as Additional Rent, on the first day of each month following receipt of such Estimated Electric Charge Statement, until Tenant's receipt of any succeeding Estimated Electric Charge Statement, an amount equal to one-twelfth (1/12) of Tenant's Electric Charge as shown on such Estimated Electric Charge Statement. From time to time during any calendar year, Landlord may revise Landlord's estimate of the Electric Charge and adjust Tenant's monthly payments to reflect Landlord's revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference (if any) between the aggregate amount of Tenant's estimated payments theretofore made on account of the Electric Charge during such calendar year, and the amount which would have been payable by Tenant during such calendar year had Landlord billed Tenant for the revised monthly amount for such prior elapsed months during such calendar year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 14.5(b)(i).

(ii) Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a statement (the "Annual Electric Charge Statement") to Tenant showing (1) the amount of electricity consumed in the Premises during the preceding calendar year, (2) Tenant's Electric Charge for such calendar year, and (3) the aggregate amount of Tenant's estimated payments made on account of the Electric Charge during such calendar year. If the Annual Electric Charge Statement indicates that the aggregate amount of such estimated payments made by Tenant exceeds Tenant's actual liability for the Electric Charge, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit the overpayment toward Tenant's next monthly payment(s) of the Electric Charge due hereunder, or promptly refund such overpayment to Tenant. If the Annual Electric Charge Statement indicates that Tenant's actual liability for the Electric Charge exceeds the aggregate amount of such estimated payments made by Tenant, then Tenant shall pay such deficient amount to Landlord as Additional Rent within

ten (10) days after such Annual Electric Charge Statement is given to Tenant. If Landlord fails to provide the Estimated Electric Charge Statement or the Annual Electric Charge Statement by the anticipated dates provided herein, Landlord shall not be deemed to have waived its right to thereafter provide such statements. Tenant's obligations pursuant to this Section 14.5 shall survive the Expiration Date or earlier termination of this Lease.

(iii) If the utility rate schedule(s) for the supply of electricity to the Building shall be increased or decreased at any time, the Electric Charge shall be equitably increased or decreased to reflect the resulting increase or decrease in Landlord's cost of furnishing electricity to the Premises.

(iv) Landlord or Tenant shall have the right to measure Tenant's consumption of electricity in any area of the Premises where electricity usage is not measured by a submeter by means of an electrical survey performed by an independent utility auditor or engineer selected by Landlord (the "Utility Auditor"), who shall inspect Tenant's equipment and fixtures in the Premises, and measure Tenant's connected load in the Premises. The cost of the Utility Auditor shall be paid for by the party requesting the audit. The findings and calculations of the Utility Auditor shall be conclusive and binding upon Landlord and Tenant. In the alternative, Landlord shall have the right, in its sole discretion, to install a submeter to measure Tenant's consumption of electricity in any area of the Premises where electricity usage is not measured by a submeter. Landlord also reserves the right, at any time, to make all arrangements necessary for the Premises to obtain electricity directly from the utility company serving the Building, and to install a meter to measure Tenant's consumption of electricity in the Premises, in which event the Premises shall constitute a self-contained unit as far as electricity is concerned, and Tenant shall pay said utility company directly for all electricity consumed in the Premises. Landlord's use of one method to measure Tenant's consumption of electricity in the Premises shall not preclude Landlord from later changing to another form of measurement at any time during the Term.

(c) Except as otherwise expressly provided in this Lease, Landlord shall not be liable to Tenant in any way for any loss, damage, or expense incurred or sustained by Tenant (including any business interruption losses) as a result of any failure, defect or change in the quantity or quality of electric energy or other utility or service available for redistribution to the Premises, nor for any interruption in the supply thereof, and Tenant agrees that such service may be interrupted for inspection, repairs and replacement, and in the event of emergencies.

(d) Such electric power will be furnished to Tenant by means of existing Building panel boards, feeders, risers, wiring and other equipment. No individual piece of equipment or any type of fixture requiring special wiring or electric power in excess of 1600 amps at 277/480 volts, or otherwise exceeding Building capacity shall be installed, maintained or operated by Tenant without Landlord's consent. In addition, the use of electricity in the Premises in excess of the Total Electrical Load shall not exceed the capacity of the existing feeders and risers to, or wiring in, the Premises without Landlord's consent. Any risers or wiring required to meet Tenant's excess electrical requirements shall, upon Tenant's written request, be installed by Landlord (along with any related alterations, repairs or expenses), at Tenant's expense, but only if Landlord determines, in its sole judgment, that the same are necessary and that same would not cause permanent damage to the Building or the Premises, cause or create a dangerous or hazardous condition, entail excessive or unreasonable alterations, repairs or expenses, or interfere with or disturb other tenants or occupants in the Building.

(e) Tenant shall not install, maintain or operate in the Premises electrical equipment or fixtures whose total electrical connected load exceeds the Total Electrical Load without making a written request for Landlord's prior written consent thereto. If Landlord consents to the installation of electrical fixtures or equipment in excess of the Total Electrical Load, Tenant's use of such fixtures or equipment shall be deemed to have commenced as of the date of Landlord's consent thereto, and any additional costs incurred by Landlord as a result of such excess usage (as determined by an electrical survey to be performed by Landlord at Tenant's sole cost and expense) shall be paid by Tenant as Additional Rent, as billed. Such Additional Rent shall be paid until the particular equipment or fixtures have been removed, Tenant has advised Landlord of such removal, and such removal is verified by Landlord or its independent utility rate auditor or engineer, at Tenant's expense. In no event, however, shall Landlord be obligated to increase the existing electrical capacity of any portion of the Building's electrical system, nor to provide any additional wiring or capacity to meet Tenant's additional requirements.

(f) If any tax is imposed upon Landlord subsequent to the date hereof with respect to electrical energy furnished as a service to Tenant by any federal, state or municipal authority then, unless prohibited by law or by any governmental authority having jurisdiction thereof, Tenant shall pay to Landlord, on demand, Tenant's pro rata share of such taxes.

14.6 (a) Tenant acknowledges that Landlord shall be entitled to engage any electricity service provider Landlord selects in its sole discretion with respect to electricity and other utility service in the Building, the Property and/or the Complex, and Tenant shall not dispute Landlord's selection of any such service provider. Tenant agrees that Landlord reserves the right, at any time and from time to time during the Term, to contract for utility services from a different company or companies, other than the present utility providers heretofore selected.

(b) Tenant further agrees, notwithstanding the foregoing, that Landlord reserves the right to terminate the redistribution of electricity, other utilities or any telecommunications service to the Premises at any time upon ninety (90) days' written notice to Tenant, provided contemporaneously therewith Landlord also discontinues distributing electric current to at least eighty percent (80%) of the tenants in the Building to whom Landlord shall then be providing such service, in which event Tenant shall, in accordance with the provisions of this Section 14.6, make application directly to the utility company servicing the Building for Tenant's entire separate supply of electricity or other utility or the affected telecommunications service and Landlord shall permit its wires and conduits, to the extent available and safely capable, to be used for such purpose without charge. Upon the expiration of the aforesaid ninety (90) day period, Landlord may discontinue furnishing electric current, such other utility or the applicable telecommunications service to the Premises. In the event (i) Landlord elects to terminate its redistribution of electricity, such other utility or any telecommunications service to the Premises; or (ii) applicable Legal Requirements require commercial building owners to permit tenants of their facilities to utilize an alternative provider for any of the foregoing utilities or telecommunications services (an "ASP") and Tenant so elects to utilize an ASP, rather than the utility company that is then servicing the Premises, then in either such case, no such ASP

shall be permitted to provide service to Tenant or to install lines or other equipment without obtaining the prior written consent of Landlord. Landlord's consent under this Section 14.6 shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, as to the suitability or competence of an ASP. Landlord may withhold its consent to a proposed ASP if, in the reasonable exercise of its judgment, Landlord determines that any of the following conditions have not been met:

(1) Landlord shall incur no expense whatsoever in connection with any aspect of an ASP's provision of its services, including, without limitation, the cost of installation, service and materials, and the ASP agrees in writing to indemnify, defend and hold Landlord and Landlord's Agents harmless in connection therewith, as more fully set forth in paragraph (6) below;

(2) Prior to commencement of any work in the Premises, the Building or the Complex by an ASP, the ASP shall supply Landlord with verification satisfactory to Landlord that the ASP is properly insured, and financially capable of covering any uninsured damage;

(3) Prior to commencement of any work in the Premises, the Building or the Complex by an ASP, the ASP shall agree in writing to abide by any rules or regulations as are reasonably determined by Landlord to be necessary to protect the Premises, the Building and the Complex;

(4) Landlord determines that there is sufficient unreserved space in the Common Areas of the Building for the placement of all the ASP's equipment and materials, including, without limitation, the electricity risers;

(5) The ASP is licensed in the State of New Jersey and, in Landlord's judgment, is a reputable utility provider;

(6) The ASP agrees, in a license agreement executed by the ASP and Landlord: (x) to compensate Landlord in an amount determined by Landlord, for all space used in the Building or the Complex for storage and maintenance of the ASP's equipment (the "ASP Space"), and for all reasonable costs incurred by Landlord in connection with the ASP, including but not limited to arranging access by the ASP's personnel and security for the ASP's equipment; (y) that at Landlord's request, upon termination of the license agreement, the ASP will remove all of the its equipment and materials from the affected portions of the Building and/or the Complex; and (z) to indemnity, defend and hold harmless Landlord and Landlord's Agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) based on, arising out of or in any way relating to (directly or indirectly, in whole or in part) its provision of services as aforesaid, such indemnification obligation to survive the expiration or earlier termination of this Lease;

(7) The ASP agrees that Landlord shall have the right to supervise the ASP's performance of any work in the Building or the Complex, including but not limited to, any installations or repairs; and

(8) The ASP agrees that Landlord shall have the right to enter the ASP Space at any time for any of the purposes referenced in Section 12.1 of this Lease (it being understood, however, that such right of entry shall not be construed as imposing upon Landlord any obligation to inspect, maintain or repair the ASP Space).

(c) Notwithstanding anything contained in this Lease, Tenant agrees that to the extent service by the ASP is interrupted, curtailed, or discontinued for whatever reason, Landlord shall have no obligation or liability with respect thereto.

(d) Tenant shall indemnify, defend, and hold harmless Landlord and Landlord's Agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) against Landlord or Landlord's Agents based on, arising out of or in any way relating to, either directly or indirectly, in whole or in part, Tenant's utilization of an ASP or any acts or omissions of the ASP (such indemnification to be in addition to, and not in lieu of, any indemnification obligation provided by the ASP pursuant to Section 14.6(b)(6) above, or as provided in Section 15.2 hereof). Tenant's indemnification obligations set forth herein shall survive the expiration or earlier termination of this Lease.

14.7 If Tenant uses machines or equipment in the Premises which materially affects the temperature otherwise maintained by the air-conditioning system, or which otherwise overload any utility, Landlord may, following notice to Tenant and Tenant's failure to remove such machines or equipment within five (5) days of such notice, install supplemental air conditioning units or other supplemental equipment in the Premises and the cost thereof, including installation, of such equipment, meters to measure such excess consumption, the cost of the utilities consumed thereby as indicated on such meters, and the cost of operation, use and maintenance of such equipment, plus an administrative fee equal to five percent (5%) of the cost thereof, shall be paid by Tenant, as Additional Rent, upon demand.

14.8 So long as Tenant's use of water in the Premises does not, in Landlord's reasonable opinion, exceed that normal consumed in office settings for ordinary drinking and lavatory purposes, the cost and expense of water shall be included in Base Rent. However, in the event Tenant's use of water in the Premises exceeds, in Landlord's reasonable opinion, that normally consumed in office settings for ordinary drinking and lavatory purposes, Landlord shall have the right to either: (i) install and maintain, at Tenant's sole cost and expense, water meters which measure Tenant's water consumption in the Premises; (ii) reasonably estimate the amount of such excess consumption by Tenant; or (iii) engage the services, at Tenant's sole cost and expense, of an independent utility rate auditor or engineer selected by Landlord, to perform a confirmatory water survey of the Premises; and in any such case, Tenant shall pay to Landlord, as Additional Rent within ten (10) days of receipt of a bill therefor, all charges incurred as a result thereof, whether for water consumption, equipment maintenance or the services of any such utility engineer.

14.9 Landlord shall not be obligated to provide any utility or service, except as specifically set forth in this Lease.

ARTICLE XV
LIABILITY OF LANDLORD

15.1 Except as may otherwise be expressly provided in this Lease, Landlord and Landlord's Agents shall not be liable to Tenant, Tenant's Agents or any other person or entity for any damage (including any consequential or punitive damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or in any way arising out of any cause whatsoever including, without limitation, the following: repair to any portion of the Premises, the Property or the Complex; interruption in the use of the Premises or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewerage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises, the Property or the Complex; any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Property from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Property, or from drains, pipes or plumbing fixtures in the Premises or the Property, and none of the foregoing shall be deemed a constructive eviction, constitute a breach of any implied warranty, or entitle Tenant to any abatement of Rent or otherwise effect any of Tenant's obligations hereunder. Any property placed by Tenant or Tenant's Agents in or about the Premises or any other portion of the Property, or in any vehicle parked in the Parking Area, shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefor. Notwithstanding the foregoing provisions of this Section 15.1, Landlord shall not be released from liability to Tenant for any physical injury to any natural person or to property (subject to the provisions of Section 13.1(f) hereof) caused by Landlord's or Landlord's Agent's negligence or willful misconduct, to the extent such injury is not covered by insurance (a) carried by Tenant or such person, or (b) required by this Lease to be carried by Tenant (whether or not Tenant carries such required insurance); provided, however, that Landlord shall not under any circumstances be liable to Tenant for any consequential or indirect damages.

15.2 Tenant shall indemnify, defend and hold harmless (subject to the provisions of Section 13.1(f)) Landlord and Landlord's Agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and reasonable attorneys' fees) suffered by or claimed against them, directly or indirectly, based on or arising out of, or in any way relating to, directly or indirectly, in whole or in part: (a) use and occupancy of the Premises or the business conducted therein, (b) any act or omission of Tenant or Tenant's Agents, or (c) any breach of Tenant's obligations under this Lease. Notwithstanding clause "(a)" of this Section 15.2, Landlord shall not be released from liability to Tenant for any physical injury to any natural person or to property (subject to the provisions of Section 13.1(f) hereof) caused by Landlord's or Landlord's Agent's negligence or willful misconduct; provided, however, that Tenant shall not under any circumstances be liable to Landlord for any consequential or indirect damages except as provided in Article XXII. Tenant's indemnification obligations set forth herein shall survive the expiration or earlier termination of this Lease.

15.3 Without limiting the foregoing, Landlord shall indemnify Tenant and hold Tenant harmless in such events (subject to the provisions of Section 13.1(f)) caused by Landlord's or

Landlord's Agent's negligence or willful misconduct, to the extent such injury is not covered by insurance (i) carried by Tenant or such person, or (ii) required by this Lease to be carried by Tenant (whether or not Tenant carries such required insurance); provided, however, that Landlord shall not under any circumstances be liable to Tenant for any consequential or indirect damages.

ARTICLE XVI
RULES

16.1 Tenant shall at all times abide by and observe (and shall cause Tenant's Agents to abide by and observe) the rules specified in Exhibit C, as well as any reasonable new or amended rules that Landlord or the managing agent of the Building may promulgate from time to time for the operation and maintenance of the Property, or that Landlord or the managing agent of the Complex may promulgate from time to time for the operation and maintenance of the Complex in general), provided that reasonable advance notice of any such new or amended rule is given to Tenant (which notice may be distributed to Tenant at the Premises, notwithstanding anything to the contrary set forth in Section 27.1 below). All rules shall be binding upon Tenant and enforceable by Landlord as if such rules were contained in this Lease. Landlord shall not enforce any rule in a manner which unreasonably discriminates among similarly situated tenants of the Building. In the event of any conflict between any such rules and the other terms and provisions of this Lease, the latter shall govern and control the resolution of such conflict. However, nothing contained in this Lease shall be construed as imposing upon Landlord any duty or obligation to enforce, as against any other tenant, such rules, or the terms, conditions or covenants contained in any other lease, and Landlord shall not be liable to Tenant for the violation of such rules or such terms, conditions or covenants by any other tenant or its employees, agents, assignees, subtenants, invitees or licensees.

ARTICLE XVII
DAMAGE OR DESTRUCTION

17.1 If the Premises is totally or partially damaged or destroyed by fire or other insured casualty, or if the Building is damaged or destroyed by fire or other insured casualty such that Tenant is deprived of reasonable access to the Premises, then, in either such event, but subject to the provisions of this Article XVII, Landlord shall diligently repair and restore such damaged or destroyed portions of the base building work in the Premises, and/or such portions of the base building work in the Common Areas of the Building as are necessary to restore reasonable access to the Premises, to substantially the same condition the same were in prior to such damage or destruction; provided, however, that if in Landlord's judgment such repair and restoration cannot be completed within one hundred eighty (180) days from the date of such damage or destruction (taking into account, among other factors, the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans, and issuance of all required governmental permits), then Landlord shall have the right to terminate this Lease by giving Tenant written notice of termination within sixty (60) days after the occurrence of such damage or destruction, which notice shall be effective thirty (30) days after the date thereof. If this Lease is terminated pursuant to this Article XVII, then Base Rent and any recurring items of Additional Rent which are determined on a per square foot basis shall be apportioned (based on the portion of the Premises which is rendered unusable as a direct result of

such damage or destruction) and paid to the date of termination. If this Lease is not so terminated by Landlord, then until Landlord's repair and restoration of the Premises is substantially complete (or would have been complete but for any delay(s) caused by Tenant or Tenant's Agents), Tenant shall only be required to pay Base Rent and any recurring items of Additional Rent which are determined on a per square foot basis for the portion of the Premises that is usable while such repair and restoration is being made. After receipt of all insurance proceeds, Landlord shall proceed with such repair and restoration of the Premises and the Building. However, Landlord shall not be required to repair or restore any Alterations or any other improvements or contents of the Premises (including, without limitation, Tenant's trade fixtures and other personal property).

17.2 Notwithstanding the foregoing provisions of Section 17.1, and in addition thereto, Landlord shall also have the right to terminate this Lease if: (1) insurance proceeds payable to Landlord will, in Landlord's judgment, be insufficient to pay the full cost of such repair and restoration, (2) any Mortgagee fails or refuses to make such insurance proceeds available for such repair and restoration, (3) zoning or other applicable Legal Requirements do not permit such repair and restoration, and (4) there is any substantial loss to the Building that is not covered by insurance policies required to be carried by Landlord herein.

17.3 Tenant hereby waives all claims (i) for any damage or injury resulting from any damage or destruction, (ii) for any loss of profits or interruption of business resulting from Tenant's inability to use and occupy the Premises or any part thereof as a result of any damage or destruction, or (iii) by reason of any required surrender of possession of the Premises pursuant to this Article XVII. Tenant also waives the benefit of New Jersey Revised Statutes, Title 46, Chapter 8, Sections 6 and 7, and agrees that Tenant will not be relieved of the obligation to pay Rent in case of damage or destruction to the Premises, the Property or the Complex, except as expressly provided in Section 17.1 above.

17.4 If the Building or the Premises are damaged and Landlord elects to repair, but (a) Landlord cannot reasonably complete its repairs within one hundred eighty (180) days or (b) Landlord fails to complete its repairs within one hundred eighty (180) days, Tenant may elect to terminate the Lease by written notice to Landlord within thirty (30) days after such casualty if clause (a) applies or within thirty (30) days after the expiration of such one hundred eighty (180) day period if clause (b) applies. If the Lease is not terminated, Landlord shall be responsible for restoring all Leasehold Fixtures (as defined in Section 13.3).

ARTICLE XVIII
CONDEMNATION

18.1 If one-third (1/3) or more of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose, or sold under the threat of a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the day prior to the date title thereto vests in such authority and Base Rent and any recurring items of Additional Rent which are determined on a per square foot basis shall be apportioned as of such date. If less than one-third (1/3) of the Premises or the use and occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned, and as of the date title vests in

such authority, Base Rent, Additional Rent, the number of Parking Permits, and any other items which are determined on a per square foot basis shall be proportionately reduced, based on the amount of square footage taken from the Premises, in relation to the total square footage in the Premises immediately prior to such condemnation. Notwithstanding anything herein to the contrary, if twenty-five percent (25%) or more of (a) the Land or the Building is condemned, whether or not any portion of the Premises is condemned, Landlord shall have the right, following its receipt of notice of such condemnation, to terminate this Lease as of the date title vests in such authority, or on such earlier date selected by Landlord, provided that in no event may Landlord terminate the Lease on less than thirty (30) days' notice to Tenant, or (b) the parking area is condemned, Tenant shall have the right, following its receipt of notice of such condemnation, to terminate this Lease as of the date title vests in such authority, provided that in no event may Tenant terminate the Lease on less than thirty (30) days' notice to Landlord.

18.2 All awards, damages and other compensation paid or payable on account of such condemnation shall belong to Landlord, and Tenant hereby assigns to Landlord all rights to such awards, damages and compensation. Accordingly, Tenant shall not make any claim against Landlord or such authority for any portion of such award, damages or compensation, including, without limitation, any award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for relocation expenses and for the then-unamortized value of furnishings, equipment and trade fixtures installed in the Premises at Tenant's expense which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Term, provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation.

18.3 If all or any portion of the Premises, the Building or the Complex is condemned temporarily for any public or quasi-public use or purpose (including, without limitation, for any public safety or anti-looting measure), the Term shall not be reduced or affected thereby, and Tenant shall continue to pay Rent without any reduction or abatement and, except to the extent Tenant is prevented from doing so by the direct order of the condemning authority, Tenant shall continue to perform its other obligations hereunder; however, Tenant shall be entitled to receive any award or payment made by the condemning authority as and to the extent such temporary taking impacts Tenant's use of the Premises (provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation), which award or payment shall be received and held in trust by Tenant for the benefit of Landlord, and applied toward the payment of Rent thereafter falling due hereunder.

ARTICLE XIX
DEFAULT

19.1 Each of the following shall constitute an "Event of Default' hereunder:

(a) Tenant's failure to pay when due any Base Rent, Additional Rent or other sum, provided, however, that with respect to the first two (2) such failures in any twelve (12) month period to pay Base Rent, Additional Rent or other sum, Tenant shall be afforded, in each instance, a period of five (5) business days following Landlord's delivery to Tenant of written notice of such failure to pay, in which to fully cure such failure to pay;

(b) Intentionally omitted;

(c) an Event of Bankruptcy as specified in Article XX;

(d) the dissolution or liquidation of Tenant, Guarantor (if any), or any other person or entity liable for Tenant's obligations hereunder (including, without limitation, any general partner of Tenant, or, if Tenant is a limited liability company, any member of Tenant [such other person or entity which is liable for Tenant's obligations hereunder being hereinafter collectively referred to as a "General Partner");

(e) any Environmental Default as specified in Section 25.2, or a default under Section 25.3(a),

(f) any subletting, assignment, transfer, mortgage or other encumbrance of the Premises or this Lease in violation of Article VII;

(g) Tenant's failure to execute and deliver to Landlord any document required pursuant to the provisions of Sections 3.2, 21.1, 21.2, 21.3, 21.5 and/or 30.7 within the time periods provided therein;

(h) any breach or default hereunder which according to an express provision of this Lease is, or may at Landlord's option, be treated as an immediate Event of Default under any provision of this Lease;

(i) Tenant's failure to perform or observe any covenant or condition of this Lease not otherwise specifically described in this Section 19.1, which failure continues for thirty (30) days after Landlord delivers written notice thereof to Tenant or such longer period as may be necessary due to circumstances beyond Tenant's control (i.e., if Tenant is in any way delayed or prevented from performing any such obligation due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any other cause beyond Tenant's reasonable control [whether similar or dissimilar to the foregoing events]), so long as Tenant begins to cure such default within thirty (30) days, promptly notifies Landlord in reasonable detail of any such circumstances beyond Tenant's control, and thereafter diligently and without interruption prosecutes such cure to completion as quickly as is practicable under the circumstances; or

(j) any default by Tenant, Guarantor, (if any), or any affiliate of Tenant or Guarantor (if any) under any other instrument entered into, with or for the benefit of Landlord or any affiliate of Landlord with respect to the Premises, the Building, or the Complex.

19.2 (a) If an Event of Default shall occur, whether prior to or after the Commencement Date, Landlord shall have the right, at its sole option, to terminate this Lease upon three (3) days' notice to Tenant. In addition, with or without terminating this Lease, Landlord may re-enter the Premises, terminate Tenant's right of possession and take possession of the Premises upon three (3) days' notice to Tenant. The aforesaid notice provisions of this

Section 19.2(a) shall operate as a notice to quit, and Tenant hereby waives any other notice to quit or notice of Landlord's intention to re-enter the Premises or terminate this Lease, to which Tenant would otherwise be entitled at law, in equity or otherwise. If necessary, Landlord may proceed to recover possession of the Premises under applicable Legal Requirements, or by such other lawful means. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything contained in this Lease on the part of Landlord to be done and performed shall cease, without prejudice, however, to Tenant's liability for all Base Rent, Additional Rent and other sums specified herein. Upon any Event of Default, Landlord shall have the immediate right to grant or withhold any consent or approval pursuant to this Lease in its sole and absolute discretion, irrespective of the standard for Landlord's consent or approval in any particular instance as set forth in this Lease.

(b) If an Event of Default occurs which results in Landlord's recovering possession of the Premises, Landlord will, to the extent Landlord is required by operation of law to mitigate damages, use reasonable efforts to relet the Premises in order to so mitigate its damages, provided that Landlord shall retain the right, in the exercise of its sole and absolute judgment, to approve any tenant, to lease the Premises in whole, in part(s), or together with other premises in the Building, and to determine the terms and conditions of any leases, including, without limitation, rent, length of term (which may extend beyond the date on which the Term would have expired, but for such Event of Default), and rent concessions and/or construction allowances. For purposes of this Section 19.2(b), Landlord shall be deemed to have utilized reasonable efforts to mitigate damages resulting from an Event of Default by Tenant if, following such recovery of possession as aforesaid, Landlord shall have listed the Premises with a commercial real estate broker in the Geographic Area having not less than ten (10) years' experience in commercial real estate. If it is Landlord's standard practice to engage the services of an exclusive real estate broker for leasing purposes at the Building, Landlord shall not be required to list the availability of the Premises with any broker other than the exclusive broker for the Building in order to satisfy the "reasonable efforts" reletting standard hereunder, and if it is not Landlord's standard practice to engage the services of an exclusive real estate broker for leasing purposes at the Building, Landlord shall not be required to list the availability of the Premises with more than one broker in order to satisfy the "reasonable efforts" reletting standard hereunder. Notwithstanding anything contained herein, Landlord shall not be obligated to display the Premises to prospective tenants if Landlord has other premises available in the Building or the Complex or at any other location owned by Landlord or its affiliates within the Geographic Area, or to relocate any other tenant in the Building or the Complex in an effort to enhance its ability to relet the Premises. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Premises or to collect any rent due upon such reletting.

(c) Whether or not this Lease and/or Tenant's right of possession is terminated or any suit is instituted, Tenant shall be immediately liable for the payment to Landlord of any Base Rent, Additional Rent, damages or other sums which may be due or sustained prior to such default, and for all costs, fees and expenses (including, but not limited to, court costs, reasonable attorneys' fees and expenses of litigation) incurred by Landlord in (i) in obtaining possession of the Premises; (ii) in removing and/or storing Tenant's or any other occupant's personalty; (iii) in repairing, altering, remodeling or otherwise putting the Premises into such condition which is likely to be acceptable to prospective tenants; (iv) in reletting all or portions of the Premises

(including, without limitation, brokerage commissions, costs of tenant finish work, architectural and legal fees, rental concessions, allowances or other inducements granted to the replacement tenant, and costs to prepare and negotiate a new lease agreement(s)); (v) in performing any of Tenant's obligations which Tenant failed to perform hereunder; and (vi) in pursuit of Landlord's other rights and remedies hereunder due to such Event of Default, plus any other damages suffered or incurred by Landlord on account or as a consequence of such default by Tenant. In addition to the foregoing sums, which shall, at Landlord's sole option, either become immediately due and payable by Tenant (in which event a judgment against Tenant and/or any Guarantor in such amount may be filed by Landlord at any time following such Event of Default), or be added to the amount due pursuant to paragraph (1) or (2) below, as applicable, Tenant shall also be liable for additional damages which, at Landlord's election shall be, at Landlord's sole option:

(9) an amount equal to (x) the Base Rent, Additional Rent and other sums due or which would have become due and payable under this Lease from the date of Tenant's default through the date on which the Term would have expired but for Tenant's default, minus (y) the amount of rental, if any, which Landlord actually receives during such period from others to whom the Premises may be rented (other than any additional rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), which amount shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Term would have expired but for Tenant's default, it being understood that (A) separate suits may be brought from time to time to collect any such damages for any month(s) (and any such separate suit shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month(s)), or Landlord may defer initiating any such suit until after the expiration of the Term (in which event such deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Term), and (B) if Landlord so elects to bring suits from time to time prior to reletting the Premises, Landlord shall be entitled to its full damages through the date of the award of damages without regard to any Base Rent, Additional Rent or other sums that are or may be projected to be received by Landlord upon reletting of the Premises; or

(10) an amount equal to the sum of (x) all Base Rent, Additional Rent and other sums due or which would be due and payable under this Lease from the date of Tenant's default through the date on which the Term would have expired but for Tenant's default, minus (y) the fair market rental value of the Premises thereafter through the date on which the Term would have expired, but for Tenant's default. The amount determined pursuant to this paragraph (2) shall be discounted using a discount factor of four (4%) percent per annum to then present worth, and the resulting amount shall be paid to Landlord in a lump sum on demand. Landlord may bring suit to collect any such damages at any time after an Event of Default shall have occurred.

If Landlord elects to proceed under paragraph (1) above, it may at any time thereafter elect to proceed under paragraph (2) above. In the event Landlord relets the Premises for a greater rental value, or together with other premises, or for a term extending beyond the scheduled expiration of the Term, Tenant shall not be entitled to apply any such greater rental value, or any base rent, additional rent or other sums generated or projected to be generated by such other premises or

the period extending beyond the scheduled expiration of the Term (collectively, the "Extra Rent") against Landlord's damages. Similarly, in proving the amount that would be received by Landlord upon a reletting of the Premises as set forth in clause "(y)" of paragraph (2) above, Tenant shall not take into account the Extra Rent. The provisions contained in this Section 19.2 shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease, it being agreed that in the event of an anticipatory breach, Landlord shall have all rights and remedies set forth in this Section 19.2 or otherwise available at law or in equity. Nothing herein shall either be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid rent accrued prior to termination of this Lease, or to limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time, whether or not such amount shall be greater than, equal to, or less than the amount determined pursuant to the foregoing provisions of this Section 19.2. If Landlord is entitled, or Tenant is required, pursuant to any provision hereof to take any action upon the termination of the Term, then Landlord shall be entitled, and Tenant shall be required, to also take such action upon the termination of Tenant's right of possession.

19.3 (a) Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, re-entry or restoration of the operation of this Lease under any present or future Legal Requirement, as well as any rights it may have under N.J.S.A. 2A:18-60.

(a) All rights and remedies of Landlord set forth in this Lease are cumulative and in addition to all other rights and remedies available to Landlord at law or in equity, including those available as a result of any threatened or anticipatory breach of this Lease. The exercise by Landlord of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay or failure by of either party to exercise any of its rights or remedies, or to enforce any of the other party's obligations, shall constitute a waiver of any such rights, remedies or obligations. Neither party shall be deemed to have waived any default by the other unless such waiver is expressly set forth in a written instrument signed by the waiving party, and no custom or practice which may evolve between Landlord and Tenant in the administration of the terms hereof shall give rise to any waiver by Landlord or otherwise diminish Landlord's right to insist upon Tenant's performance in strict accordance with the provisions of this Lease. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstance(s) described in such written waiver.

19.4 If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, such compromise or settlement shall not constitute a waiver of the covenant, condition or agreement which is the subject of such compromise or settlement, or a waiver of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder.

19.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant within any applicable notice and cure period (or on no prior notice in the case of any emergency, whether real or apparent), then, in addition to Landlord's other rights hereunder, Landlord may, but shall not be required to, make such

payment or do such act. The taking of such action by Landlord shall not be considered a cure of such default by Tenant or prevent Landlord from pursuing any remedy to which it is otherwise entitled as provided herein. If Landlord elects to make such payment or do such act, then all expenses incurred by Landlord, plus interest thereon at the Default Interest Rate, from the date incurred by Landlord to the date of payment thereof by Tenant, shall constitute Additional Rent due hereunder and shall be paid within ten (10) days of Landlord's invoice therefor. This Section 19.5 is in addition to, and not in lieu of, any specific "self-help" rights Landlord may have elsewhere in this Lease.

ARTICLE XX
BANKRUPTCY

20.1 An "Event of Bankruptcy" is the occurrence with respect to Tenant, Guarantor or a General Partner, of any of the following: (a) such person or entity becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code") or under the insolvency laws of any state (the "Insolvency Laws"); (b) the appointment of a receiver or custodian for any property of such person or entity, or the institution of a foreclosure or attachment action upon any property of such person or entity; (c) the filing by such person or entity of a voluntary petition under the provisions of the Bankruptcy Code or any Insolvency Laws; (d) the filing of an involuntary petition against such person or entity as the subject debtor under the Bankruptcy Code or any Insolvency Laws, which either (i) is not dismissed within thirty (30) days of the filing thereof, or (ii) results in the issuance of an order for relief against the debtor; or (e) such person or entity making or consenting to an assignment for the benefit of creditors or a composition of creditors.

20.2 Upon the occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article XIX; provided, however, that while a case in which Tenant is a debtor under the Bankruptcy Code, Landlord's right to terminate this Lease shall be subject, if and only to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assume and assign this Lease pursuant to the Bankruptcy Code. After the commencement of such case: (a) Trustee shall perform all post-petition obligations of Tenant under this Lease; and (b) if Landlord is entitled to damages (including, without limitation, unpaid rent) pursuant to the terms of this Lease, then all such damages shall be entitled to administrative expense priority to the fullest extent permitted by the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of assignment, and any such assignee shall, upon request, execute and deliver to Landlord an instrument confirming such assumption. Trustee shall not have the right to assume or assume and assign this Lease unless Trustee promptly (i) cures all defaults under this Lease, (ii) compensates Landlord for all damages incurred as a result of such defaults, (iii) provides adequate assurance of future performance on the part of Trustee as debtor in possession or Trustee's assignee, and (iv) complies with all other requirements of the Bankruptcy Code. If Trustee fails to assume or assume and assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after the initiation of such case, then Trustee shall be deemed to have rejected this Lease. If this Lease is rejected or deemed rejected, then Landlord shall have all rights and remedies available to it pursuant to Article XIX. Adequate assurance of future performance shall require, among other

things, that the following minimum criteria be met: (1) Trustee must pay its estimated pro-rata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of Base Rent) in advance of the performance or provision of such services; (2) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first class business operation shall be conducted in the Premises; (3) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted; (4) Trustee must agree that the assumption or assumption and assignment of this Lease will not violate or affect the rights of other tenants of the Building and the Complex; (5) Trustee must pay at the time the next monthly installment of Base Rent is due, in addition to such installment, an amount equal to the monthly installments of Base Rent and recurring items of Additional Rent due for the next six (6) months thereafter, such amount to be held as a security deposit (in addition to, and not in lieu of, the Security Deposit); (6) Trustee must agree to pay, at any time Landlord draws on the security being deposited pursuant to this Article XX, the amount necessary to restore such security to its original amount; (7) Trustee must comply with all duties and obligations of Tenant under this Lease; and (8) all assurances of future performance specified in the Bankruptcy Code must be satisfied.

ARTICLE XXI
SUBORDINATION: ATTORNMENT; ESTOPPEL CERTIFICATES

21.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all Mortgages, to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, consolidations, replacements or refinancings thereof. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any other Mortgage that is superior to such Mortgage) at any time to unilaterally declare this Lease to be superior to such Mortgage. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant shall, nevertheless, within ten (10) days after request therefor, execute, acknowledge and deliver any reasonable documents confirming such subordination as may be submitted by Landlord or the holder of such Mortgage. Landlord agrees to use commercially reasonable efforts to obtain a Subordination, Non-disturbance and Attornment Agreement from any current or future Mortgagee on such Mortgagee's standard form.

21.2 Tenant waives the provisions of any law now or hereafter in effect which may give or purport to give Tenant any right to terminate this Lease in the event any foreclosure proceeding is prosecuted or completed, or in the event the Property or any portion thereof or Landlord's interest therein is transferred to Mortgagee or any other party by foreclosure, by deed in lieu of foreclosure, power of sale or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by any payment of Base Rent or Additional Rent more than one (1) month in advance to any prior landlord, (b) bound by any termination, amendment or modification of this Lease made without the consent of the Mortgagee existing as of the date of such termination, amendment or modification, (c) liable for damages for any breach, act or omission of any prior landlord, (d) bound to return, credit against

Tenant's obligations hereunder, or otherwise account for any security or rental deposit made by Tenant which is not delivered or paid over to such transferee, or (e) subject to any offset, abatement, defense, claim, counterclaim or deduction which Tenant might have against any prior landlord; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform, in accordance with the terms of this Lease, all obligations of Landlord first arising after the date of such transfer. Although no instrument or act on the part of Tenant shall be necessary to effectuate such attornment, Tenant shall, nevertheless, execute, acknowledge and deliver any reasonable documents submitted to Tenant confirming such attornment as may be submitted by Landlord or such transferee within ten (10) days of receipt of notice from Landlord. Any such transferee shall have no liability or responsibility under or pursuant to the terms of this Lease or otherwise after it ceases to own an interest in the Building. Nothing in this Lease shall be construed to require Mortgagee to see to the application of the proceeds of any loan, and Tenant's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing any such loan.

21.3 If any prospective or current Mortgagee requires modifications to this Lease, then provided such modifications do not adversely affect Tenant's use of the Premises as herein permitted, and do not increase Tenant's obligations or decrease Tenant's rights hereunder, Landlord may submit to Tenant an amendment to this Lease incorporating such required modifications, and Tenant shall execute, acknowledge and deliver such amendment to Landlord promptly, but in no event more than ten (10) days from Landlord's request therefor.

21.4 If: (a) any portion of the Property is at any time subject to a Mortgage, (b) this Lease and the Rent payable hereunder is assigned to the Mortgagee, and (c) Tenant is given notice of such assignment, including the name and address of the assignee, then Tenant shall not exercise any rights it may have to terminate this Lease or to pursue any other remedies for any default on the part of Landlord without first giving notice, in the manner provided elsewhere in this Lease for the giving of notices, to such Mortgagee, specifying the default in reasonable detail, and such Mortgagee shall have a reasonable period of time (but shall not be obligated) to cure such default for and on behalf of Landlord, except that (i) such Mortgagee shall have at least 30 days to cure the default; (ii) if such default cannot be cured with reasonable diligence within 30 days, such Mortgagee shall have such additional time as may be reasonably necessary to cure the default; and (iii) if the default cannot reasonably be cured without such Mortgagee's having obtained possession of the Building, the Property or the Complex (as applicable), such Mortgagee shall have such additional time as may be reasonably necessary under the circumstances to so obtain possession, and thereafter to cure the default. Any cure of Landlord's default by such Mortgagee shall be treated as performance by Landlord.

21.5 At any time and from time to time, upon not less than ten (10) days' notice, Tenant or Landlord shall execute, acknowledge and deliver to the other and/or any other party designated by Landlord or Tenant, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which Rent and any other charges hereunder have been paid; (c) whether or not, to Tenant's or Landlord's best knowledge, Landlord or Tenant is in default in the performance of any obligation hereunder and, if so, specifying in reasonable detail the nature of such default; (d) the address to which notices to Tenant or Landlord are to be sent; (e) that Tenant has accepted the Premises and that all work

thereto has been completed (or if such work has not been completed, specifying in reasonable detail the incomplete work); (f) Tenant's then-current NAICS number; (g) that Tenant's then-current use of the Premises does not involve the generation, manufacture, refining, transportation, treatment, storage, handling or disposal of any Hazardous Materials (as hereinafter defined); and (h) such other matters as Landlord or Tenant may reasonably request. Any such statement may be relied upon by any owner, Mortgagee, prospective Mortgagee, or prospective purchaser of the Property or any portion thereof, or any other person or entity designated by Landlord or Tenant. If any such statement is not delivered by Tenant or Landlord within such ten (10) day period, then all matters contained in such statement as prepared by Landlord or Tenant and submitted to the other party shall be deemed true and accurate.

ARTICLE XXII
HOLDING OVER; END OF TERM

22.1 If Tenant (or anyone claiming by, through or under Tenant) does not surrender the Premises or any portion thereof immediately upon the expiration or earlier termination of the Term, in the condition required by this Lease (including, without limitation, the provisions of Sections 9.6 and 22.3 hereof), then such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month, and Tenant shall pay, as agreed-upon liquidated damages and not as a penalty, Rent equal to one hundred fifty percent (150%) for the first thirty (30) days and, thereafter, two hundred percent (200%) of the Base Rent payable hereunder immediately prior to such expiration or earlier termination of this Lease, together with one hundred percent (100%) of the Additional Rent and other sums payable hereunder following expiration or earlier termination. Such Rent shall be computed by Landlord and paid by Tenant on a monthly basis (without proration for any partial calendar months of such holdover) and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated and surrendered in accordance with this Lease. Notwithstanding any other provision of this Lease, Landlord's acceptance of such Rent shall not in any manner adversely affect Landlord's other rights and remedies (including Landlord's right to evict Tenant and to recover all damages), and the payment by Tenant required pursuant to this Section 22.1 shall be in addition to, and not in lieu of, any payments required by Tenant pursuant to the provisions of Section 22.2. In no event shall any holdover be deemed a permitted extension or renewal of the Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give Tenant any right with respect thereto.

22.2 Notwithstanding anything to the contrary elsewhere in this Lease, if Tenant fails to so vacate and surrender the Premises within sixty (60) days after the Expiration Date or earlier termination of the Term in the condition required by this Lease then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against any claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) based on, arising out of, or in any way relating to such failure (directly or indirectly, in whole or in part), including, without limiting the generality of the foregoing, loss of future rents and any claims made by any succeeding tenant as a consequence of such failure. Tenant's indemnification obligations set forth herein shall survive the Expiration Date or earlier termination of this Lease.

22.3 Tenant shall suffer no waste or injury to any part of the Premises and shall, upon the Expiration Date or earlier termination of the Term, surrender the Premises in the condition required to be maintained during the Term, except for ordinary wear and tear, repairs which are Landlord's obligation hereunder and damage by casualty or the elements. If Tenant fails to remove any movable furniture, furnishings, trade fixtures or other personal property as required pursuant to Section 9.6 above, then Landlord shall have the right, but not the obligation, at its sole option to: (i) remove and store all such items at the sole cost of Tenant and without liability on the part of Landlord or Landlord's Agents; (ii) immediately treat same as the property of Landlord without any payment therefor to Tenant; and/or (iii) dispose of any or all of such property, to the extent permitted by Legal Requirements. Tenant's obligations under this Section 22.3 shall survive the Expiration Date or earlier termination of this Lease. Upon the Expiration Date or earlier termination of the Term, Tenant shall deliver to Landlord all keys and security cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

ARTICLE XXIII
RIGHTS OF LANDLORD

23.1 In addition to any other rights granted to Landlord by this Lease, and notwithstanding anything contained in this Lease to the contrary, from and after the date hereof Landlord reserves the following rights, provided that Tenant's access to and use of the Premises and Tenant's parking rights hereunder are not materially adversely affected: (a) to change the street address and name of the Building and the Complex; (b) to change the arrangement, dimensions and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets and other Common Areas; (c) to erect, use and maintain pipes, wires, structural supports, ducts and conduits in and through the Premises above the ceiling or within the walls; (d) to sever ownership of land (including the Land) and buildings (including the Building) within the Complex, and/or to subdivide the Complex or to combine the Land with other lands, provided that, in either case, Tenant shall continue to have access to (i) the internal roadways within the Complex leading from the Land to any public roadways which are contiguous to the Complex (if applicable), and (ii) the Parking Area, if same is located outside of the Land; (e) to grant permitted uses to other tenants and occupants of the Building and the Complex, whether similar or dissimilar to the Permitted Use hereunder; (f) to exclusively use and/or lease or license the use of the roof areas and exterior walls of the Building, as well as all Common Areas; (g) to temporarily close the Common Areas or other portions of the Property or the Complex in order to prevent a public dedication thereof; (h) to relocate any Parking Areas; (i) to construct improvements (including, without limitation, kiosks and parking structures) on the Land and the Complex; (j) to prohibit smoking in the entire Building or portions thereof (including the Premises) and on the Property, so long as such prohibitions are in accordance with applicable Legal Requirements; and (k) reasonably limit, control or otherwise regulate access to the Building, the Land and/or the Complex.

ARTICLE XXIV
PARKING

24.1 (a) During the Term, Tenant shall have the right to use (on a non-exclusive first-come, first-served basis) the number of Parking Permits set forth in Article I for the unreserved parking of passenger automobiles in the parking areas designated from time to time by Landlord for the use of tenants of the Building (the "Parking Area."). Landlord shall have no obligation to police or otherwise monitor the use of the Parking Area.

(b) Tenant shall park and shall cause its employees to park only in the Parking Area (and not in other parking areas of the Complex). In order to restrict the use by Tenant's employees of areas designated or which may be designated by Landlord as handicapped, reserved or restricted parking areas, or for any other business purpose, Tenant agrees that it will, at any time and from time to time as requested by Landlord, furnish Landlord with the owners' names and the license plate numbers of any vehicle of Tenant and Tenant's Agents.

24.2 Landlord reserves the right to institute a parking control system, and to establish and modify or amend rules and regulations governing the use thereof. Landlord shall have the right to revoke a user's parking privileges in the event such user fails to abide by the rules and regulations governing the use of the Parking Area. Tenant shall be prohibited from using the Parking Area for purposes other than for parking registered vehicles. The storage, repair or overnight parking of vehicles in the Parking Area or elsewhere in the Complex is strictly prohibited.

24.3 Tenant shall not assign or otherwise transfer any Parking Permits (other than to a permitted assignee of this Lease, or a permitted subtenant of the Premises), and any attempted assignment or other transfer shall be void. Tenant and its employees shall observe reasonable safety precautions in the use of the Parking Area and shall at all times abide by all rules and regulations governing the use of the Parking Area promulgated by Landlord or the Parking Area operator (if any). Landlord reserves the right to temporarily close the Parking Area during periods of unusually inclement weather or for repairs, or to prevent a dedication thereof, and Tenant shall not be entitled to any abatement of Rent or other damages as a result thereof Landlord does not assume any responsibility, and shall not be held liable, for any damage or loss to any automobile or personal property in or about the Parking Area, or for any injury sustained by any person in or about the Parking Area.

ARTICLE XXV
ENVIRONMENTAL

25.1 Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of at or about the Property or the Complex; however, Tenant may use and store "de minimus" quantities of standard office supplies and cleaning materials as may be reasonably necessary for Tenant to conduct normal operations in the Premises for the Permitted Use, provided all of the foregoing are handled, stored and disposed of in strict accordance with all laws. Upon Tenant's surrender of the Premises to Landlord, the Premises shall be free of Hazardous Materials introduced by Tenant or Tenant's Agents, and in compliance with all Environmental Laws (as hereinafter defined) to the extent Tenant is responsible for such compliance under this Lease. "Hazardous Materials" shall be defined as (a) any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious

waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; and (c) any petroleum product or by-product, polychlorinated biphenyls, asbestos and any asbestos containing material, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Property or the Complex or hazardous to human health or the environment. "Environmental Laws" shall be defined as any present and future law and any amendments (whether common law, statute, ordinance, rule, order, regulation or otherwise), permits and other requirements, recommendations or guidelines of governmental authorities applicable to the Property and relating to human health, the environment, environmental conditions or to any Hazardous Material (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 33 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous substances, laws administered by the Environmental Protection Agency, and any similar state and local laws (including, without limitation, the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., [as amended from time to time, and ISRA (as hereinafter defined)], all amendments and revisions thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety.

25.2 Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against any claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) based on, arising out of, or in any way relating (directly or indirectly, in whole or in part) to (a) the presence or removal of, or failure to remove, any Hazardous Material generated, used, released, stored or disposed of by Tenant or Tenant's Agents (i) at or about the Premises during Tenant's and Tenant's Agents' occupancy of the Premises, and (ii) at or about the Premises, the Building or the Complex; and/or (b) Tenant's violation of any Environmental Law. Notwithstanding and without waiving in any respect Tenant's foregoing obligation to indemnify, which shall continue notwithstanding the expiration or sooner termination of this Lease, Tenant shall give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default (as hereinafter defined), which Tenant shall cure in accordance with all Environmental Laws and to the satisfaction of Landlord, but only after Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld. An "Environmental Default" shall be defined as any of the following that result from any act or omission by Tenant or Tenant's Agents: a violation of any Environmental Law; a release, spill or discharge of a Hazardous Material on or from the Premises, the Building or the Complex; an environmental condition requiring responsive or remedial action; or an emergency environmental condition. Upon any Environmental Default, in

addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right, but not the obligation, to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default at Tenant's sole cost and expense, and, if Tenant fails to immediately address same to Landlord's satisfaction, to perform, at Tenant's sole cost and expense, any lawful action necessary to address same. If any Mortgagee or governmental agency shall require testing to ascertain whether an Environmental Default is pending or threatened, then Tenant shall pay the reasonable costs therefor as Additional Rent. Promptly upon request, Tenant shall execute from time to time affidavits, representations and similar documents concerning Tenant's best knowledge and belief regarding the presence of Hazardous Materials at the Premises, the Building or the Complex. Tenant's indemnification obligations set forth herein shall survive the Expiration Date or earlier termination of this Lease.

25.3 Without limiting the generality of Sections 25.1 or 25.2 above and without implying or conferring Landlord's approval or authorization, in the event Tenant's operations at the Premises cause the Premises to be or become an Industrial Establishment (as defined in the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., as amended from time to time (such act as so amended, together with all rules, regulations, ordinances, opinions, orders and directives issued or promulgated thereunder, whether by the New Jersey Department of Environment Protection ("DEP"), or otherwise, is hereinafter referred to collectively as "ISRA")), then this Section 25.3 shall apply:

(a) Without limiting anything contained in this Lease, upon Landlord's request therefor, and in all events no later than sixty (60) days prior to "closing, terminating or transferring operations" (as defined in ISRA) at or from the Premises, Tenant shall, at its sole cost and expense, provide Landlord with either a true copy of a Letter of Non-Applicability (or similar document) from the DEP, stating that ISRA does not apply to Tenant's use and occupancy of the Premises and to the closing, terminating or transferring of operations from the Premises (which submission to Landlord shall include a true copy of the affidavit executed by Tenant in support of its application for such Letter of Non-Applicability) or any one of the following as defined in ISRA and duly approved by the DEP: (i) a De Minimis Quantity exemption, (ii) a Negative Declaration; or (iii) a Remedial Action Workplan ("RAW"). Any failure to comply with the provisions of this Section 25.3(a) shall constitute an immediate Event of Default.

(b) In the event Tenant is obligated to comply with Section 25.3(a)(iii), Tenant shall, at its sole cost and expense: (i) post a Remediation Funding Source (as defined in ISRA) satisfactory to DEP to secure implementation and completion of the RAW; (ii) promptly implement and diligently prosecute to completion said RAW in accordance with the schedules contained therein or as may otherwise be ordered or directed by DEP; and (iii) obtain a "no further action" letter ("NFA") from DEP with respect to the activities set forth in the RAW and any further or additional activities as may be required by DEP for the issuance of the NFA. Tenant expressly understands, acknowledges and agrees that Tenant's compliance with the provisions of this Section 25.3(b) shall survive the expiration or sooner termination of this Lease.

(c) If Tenant fails to fully comply with the requirements of ISRA or any other Environmental Law as of the Expiration Date or earlier termination of this Lease, then Landlord shall have the right, at its sole option, to treat Tenant as a holdover tenant pursuant to Article XXII hereof, until such time as Tenant so fully complies.

25.4 Without limiting anything contained herein, Tenant agrees, at its sole cost and expense, to promptly discharge and remove any lien or encumbrance against the Premises, the Building, or the Complex imposed due to Tenant's failure to comply with any Environmental Law.

25.5 Tenant represents that its NAICS number as set forth in Article I does not subject the Premises to ISRA applicability. Any change by Tenant to an operation with an NAICS number which is subject to ISRA shall require Landlord's prior written consent, request for which must be submitted to Landlord at least sixty (60) days in advance. Landlord may deny such consent in its sole judgment. The foregoing shall not be deemed to permit Tenant to change its Permitted Use, even to one which would not subject the Premises to ISRA applicability, unless and to the extent permitted by this Lease.

25.6 Landlord (i) represents that as of the date hereof, no orders, investigations or inquiries by any governmental, quasi-governmental, administrative or judicial body, agency, board, or commission are pending with respect to the Property; and (ii) warrants that on the date Landlord delivers possession of the Premises to Tenant (1) there will be no Hazardous Materials present in or on the Premises (except as Tenant may be permitted to store and use at the Premises in accordance with Section 25.1); and (2) the Premises will comply, in all material respects, with all applicable Environmental Laws.

ARTICLE XXVI
BROKERS

26.1 Landlord and Tenant each warrant to the other that it has not employed or dealt with any broker, agent or finder, other than the Broker, in connection with this Lease. Landlord acknowledges that it shall pay any commission or fee due to the Broker pursuant to a separate agreement. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against any claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) for brokerage or other commissions asserted by any broker, agent or finder employed by Tenant or Tenant's Agents or with whom Tenant or Tenant's Agents have dealt, other than the Broker (whether directly or indirectly, in whole or in part), such indemnification obligation to survive the Expiration Date or earlier termination of this Lease. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's Agents from and against any claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and reasonable attorneys' fees) for brokerage or other commissions asserted by any broker, agent or finder employed by Landlord or with whom Landlord has dealt, inclusive of the Broker (whether directly or indirectly, in whole or in part), such indemnification obligation to survive the Expiration Date or earlier termination of this Lease.

ARTICLE XXVII
NOTICES

27.1 Except as otherwise expressly provided in this Lease, all notices, requests, consents, approvals, demands or other communications required or permitted to be given under this Lease shall be in writing and shall be delivered in person by a reputable same day courier service which obtains a signed receipt therefor; or sent, prepaid, by a recognized overnight delivery service which obtains a signed receipt therefor; or sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at each of the Landlord Notice Addresses specified in Article I; and (b) if to Tenant, at the Tenant Notice Address specified in Article I. Notwithstanding the foregoing: (i) all payments due hereunder from Tenant to Landlord need not be sent in such manner, it being agreed that all payments may be sent by regular mail or hand delivery to the Landlord Payment Address, except to the extent Tenant is making such payments pursuant to an automatic monthly electronic transfer; and (ii) bills, invoices, and similar communications (collectively, "Bills") need not be sent in such manner, it being agreed that Bills may be sent by regular mail, hand delivery or facsimile to Tenant's Billing Address specified in Article I. In the event any Bills are returned to the sender, Landlord shall have the immediate right (until a valid Tenant Billing Address is furnished to Landlord in accordance with the provisions of this Section 27.1), to deliver all Bills to the Premises. All notices shall be deemed effective upon receipt or rejection thereof. Either party may change its address for the giving of notices by notice given in accordance with this Section 27.1.

27.2 If Landlord or any Mortgagee notifies Tenant that a copy of any notice to Landlord shall be sent to such Mortgagee at a specified address, then Tenant shall send (in the manner specified in this Article XXVII and at the same time such notice is sent to Landlord) a copy of each such notice to said Mortgagee, and no such notice shall be considered duly sent unless such copy is so sent to said Mortgagee.

ARTICLE XXVIII
RELOCATION

28.1 Intentionally deleted.

ARTICLE XXIX
SUCCESSORS AND ASSIGNS: LANDLORD'S LIABILITY

29.1 This Lease and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Landlord and Tenant and their respective distributees, legal representatives, successors and their permitted assigns (in the case of any assignee of Tenant, subject to Article VII hereof), and no third party (other than Mortgagee or any managing agent of the Building or the Complex) shall be deemed a third party beneficiary of this Lease.

29.2 The term "Landlord" as used in this Lease, so far as the covenants and agreements on the part of Landlord are concerned, shall be limited to mean and include only the owner (or lessee, as applicable) or Mortgagee(s) in possession at the time in question of the landlord's interest in this Lease. Landlord may sell its fee ownership or leasehold interest in the Building and/or the Complex (as applicable), and/or transfer or assign its rights under this Lease. In the event of any sale of such interest or transfer of such rights, Landlord herein named (and in case

of any subsequent transfer, the then assignor) shall be automatically freed and relieved from and after the date of such transfer of all liability as respects the performance of any of Landlord's covenants and agreements thereafter accruing, and such transferee shall thereafter be automatically bound by all of such covenants and agreements, subject, however, to the terms of this Lease; it being intended that Landlord's covenants and agreements shall be binding on Landlord, its successors and assigns only during and in respect of their successive periods of such ownership.

29.3 Landlord and its employees, officers, directors, partners, shareholders and agents shall have no personal liability or obligation by reason of any default by Landlord under any of Landlord's covenants and agreements in this Lease. In case of such default, Tenant will look only to, and is strictly and expressly limited to, Landlord's interest in the Building to recover any loss or damage resulting therefrom, and Tenant shall have no right and shall not assert any claim against or have recourse to Landlord's or its employees', officers', directors', partners', shareholders' or agents' other property or assets to recover such loss or damage, such exculpation of liability to be absolute and without any exceptions whatsoever. The liability of Landlord to Tenant for any breach or default hereunder shall, except as otherwise expressly provided elsewhere in this Lease, be limited to Tenant's actual damages. The foregoing limitation of liability shall be noted in any judgment secured against Landlord and in any judgment index.

ARTICLE XXX
GENERAL PROVISIONS

30.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises, the Building, the Complex or the Geographic Area, except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth. In furtherance of the foregoing, Tenant represents and warrants that Tenant has made its own investigation and examination of all relevant data and is relying solely on its own judgment in connection therewith and in executing this Lease. This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease may be modified or amended only by an instrument signed by both parties, except in certain instances specifically provided in this Lease in which only the party against whom enforcement may be sought shall be required to sign such instrument. This Lease includes and incorporates all Exhibits attached hereto.

30.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant. Tenant shall not: (a) use the name of the Building or the Complex for any purpose other than as the address of the business to be conducted by Tenant in the Premises: (b) use the name of the Building or the Complex as Tenant's business address after the earlier of the date Tenant vacates the Premises, or the date Tenant's right to possession of the Premises is terminated; or (c) do or permit to be done anything in connection with Tenant's business or advertising which in the reasonable judgment of Landlord may reflect unfavorably on Landlord, the Building or the Complex, or confuse or mislead the public as to any apparent connection or relationship between Landlord, the Building or the Complex, and Tenant.

30.3 Tenant agrees not to interpose, by consolidation of actions, removal to chancery or otherwise, any counterclaim or other claims for set-off, recoupment or deduction of rent in a summary proceeding or other action for non-payment of rent or based on termination, holdover or other default in which Landlord seeks to repossess the Premises from Tenant. Notwithstanding the foregoing, Tenant shall have the right to interpose mandatory, compulsory counterclaims or other claims which would be deemed waived if not interposed in the same action or proceeding.

30.4 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby.

30.5 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution. Headings are used for convenience only and shall not be considered when construing this Lease.

30.6 Tenant shall not have the right to any offset, abatement, defense, claim, counterclaim or deduction with regard to any amount allegedly owed to Tenant pursuant to any claim against Landlord in connection with any rent or other sum payable to Landlord. Tenant’s sole remedy for recovering upon such claim shall be to institute an independent action against Landlord, which action shall not be consolidated with any action of Landlord.

30.7 Intentionally omitted.

30.8 This Lease has been executed and delivered in the State of New Jersey and shall be construed in accordance with the laws of the State of New Jersey. Landlord and Tenant hereby irrevocably agree that any legal action or proceeding arising out of or relating to this Lease shall only be brought in the Courts of the State of New Jersey, or the Federal District Court for the District of New Jersey. By execution and delivery of this Lease, Landlord and Tenant hereby irrevocably accept and submit generally and unconditionally for itself and with respect to its properties, to the jurisdiction of any such court in any such action or proceeding, and hereby waive in the case of any such action or proceeding brought in the courts of the State of New Jersey, or Federal District Court for the District of New Jersey, any defenses based on jurisdiction, venue or forum non coveniens. In furtherance of the foregoing, Tenant hereby agrees that its address for notices given by Landlord and service of process for in personam jurisdiction under this Lease shall be the Premises.

30.9 There shall be no presumption that this Lease be construed more strictly against the party who itself or through an agent prepared it, it being agreed that all parties hereto have participated in the preparation of this Lease, and that each party had the opportunity to consult with legal counsel before the execution of this Lease.

30.10 The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease the Premises. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

30.11 Time is of the essence with respect to each of Tenant's obligations hereunder.

30.12 This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document. Faxed signatures shall have the same binding effect as original signatures.

30.13 Neither this Lease nor any memorandum thereof shall be recorded.

30.14 Any elimination or shutting off of light, air, or view by any structure which may be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

30.15 Tenant's liabilities and obligations under this Lease shall survive the expiration or earlier termination of the Term. Nothing in the foregoing sentence, however, shall be construed as a limitation of Tenant's obligations under Section 19.2 above. If more than one natural person or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. No waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

30.16 If Landlord or Tenant is in any way delayed or prevented from performing any obligation due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any cause beyond such party's reasonable control, whether similar or dissimilar to the foregoing events, then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay, interruption or prevention. The provisions of this Section 30.16 shall not excuse Tenant from the prompt payment of Rent and all other sums due from Tenant under this Lease, and Tenant's delay or failure to perform resulting from lack of funds shall not be deemed delays beyond Tenant's reasonable control.

30.17 Landlord's review, approval and consent powers (including the right to review plans and specifications) are for its benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety or any other matter.

30.18 The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion, and such deleted portion shall be deemed not to have been inserted in this Lease.

30.19 (a) Tenant represents and warrants that the person(s) executing and delivering this Lease on Tenant's behalf is duly authorized to so act; that Tenant is duly organized, is qualified to do business in the State of New Jersey, is in good standing under the laws of the state of its

organization and the laws of the State of New Jersey, and has the power and authority to enter into this Lease; and that all action required to authorize Tenant and such person to enter into this Lease has been duly taken.

(b) If Tenant is a partnership or a professional corporation (or is comprised of two (2) or more persons or entities, individually or as co-partners of a partnership or shareholders of a professional corporation) or if Tenant's interest in this Lease shall be assigned to a partnership or a professional corporation (or to two (2) or more persons or entities, individually or as co-partners of a partnership or shareholders of a professional corporation) pursuant to Article VII or Article XX hereof (any such partnership, professional corporation and such persons and entities are referred to in this Section 30.19(b) as "Partnership Tenant"), the following provisions shall apply to such Partnership Tenant: (i) the liability of each of the parties comprising Partnership Tenant shall be joint and several; (ii) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by (x) any written instrument which may hereafter be executed by Partnership Tenant or any of the parties comprising Partnership Tenant or any successor entity, changing, modifying, extending or discharging this Lease, in whole or in part; or surrendering all or any part of the Premises to Landlord, and (y) any notices, demands, requests or other communications which may hereafter be given by Partnership Tenant or by any of the parties comprising Partnership Tenant; (iii) any bills, statements, notices, demands, requests or other communications given or rendered to Partnership Tenant or to any of such parties shall be binding upon Partnership Tenant and all such parties; (iv) if Partnership Tenant shall admit new partners or shareholders, as the case may be, all of such new partners or shareholders, as the case may be, shall, by their admission to Partnership Tenant, be deemed to have assumed joint and several liability for the performance of all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed; and (v) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners or shareholders, as the case may be, and upon demand of Landlord, shall cause each such new partner or shareholder, as the case may be, to execute and deliver to Landlord an agreement in form satisfactory to Landlord, wherein each such new partner or shareholder, as the case may be, shall assume joint and several liability for the observance and performance of all the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed (but neither Landlord's failure to request any such agreement nor the failure of any such new partner or shareholder, as the case may be, to execute or deliver any such agreement to Landlord shall vitiate the provisions of clause "(iv)" of this Section 30.19(b)). If any partner or shareholder, as the case may be, withdraws from Partnership Tenant, then, in addition to all other rights and remedies Landlord may have in this Lease or otherwise, Landlord may, at Landlord's sole option, automatically deem such partner or shareholder, as the case may be, as a joint tenant under this Lease.

30.20 Landlord covenants that so long as no Event of Default exists that remains uncured, Tenant shall during the Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or any party claiming through or under Landlord.

30.21 Within fifteen (15) days after Landlord's request from time to time, Tenant will furnish to Landlord the most recent financial statements of Tenant and Guarantor (if any), both of which shall be audited, if available (including any notes thereto) or, if no such audited

statements have been prepared, such other financial statements (and notes thereto) prepared by an independent certified public accountant or, if unavailable, Tenant's and any Guarantor's internally prepared financial statements certified as true and complete by Tenant's and any Guarantor's chief financial officers, respectively. If either Tenant or Guarantor (if any) are publicly-traded corporations, Tenant's or any Guarantor's most recent respective annual and quarterly reports will satisfy the foregoing obligation. Landlord will not disclose any aspect of Tenant's or any Guarantor's financial statements that Tenant or Guarantor (if any) designates to Landlord as confidential, except to Landlord's Mortgagee or prospective purchasers or Mortgagees of the Building, the Property or the Complex, in litigation between Landlord and Tenant, or if required by court order. Tenant and Guarantor (if any) shall not be required to deliver the financial statements required under this Section 30.21 more than once in any twelve (12) month period unless requested by Landlord's Mortgagee or a prospective buyer or Mortgagee of the Building, Property or Complex, or if an Event of Default occurs.

30.22 Neither the payment by Tenant of a lesser amount than the monthly installment of Base Rent, Additional Rent or any sums due hereunder, nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder, shall be deemed an accord and satisfaction. Landlord may accept same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any amount owed by Tenant, and in such order as designated by Landlord in its sole discretion.

30.23 No re-entry by Landlord, and no acceptance by Landlord of keys to and/or possession of the Premises, shall be considered an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid and binding unless in writing and executed by Landlord.

30.24 Anything contained in this Lease to the contrary notwithstanding, Tenant agrees that Tenant's covenants and obligations under this Lease shall be independent of Landlord's covenants and obligations under this Lease, and that each such covenant and obligation is independent of any other covenant or obligation. Landlord's breach, default or non-performance of any of Landlord's covenants or obligations under this Lease shall not excuse Tenant of Tenant's covenants and obligations under this Lease, and shall not be the basis for any defense of any kind or nature whatsoever to any suit by Landlord for Tenant's breach, default or non-performance of any of Tenant's covenants or obligations under this Lease (including, without limitation, Tenant's failure to pay Base Rent, Additional Rent or other payments due under this Lease). It is the express agreement of Landlord and Tenant that, except as otherwise provided herein, all payments of Base Rent, Additional Rent or other payments due under this Lease are absolutely and unconditionally due at the time set forth herein, without any right of offset, abatement, defense, claim, counterclaim or deduction of any kind or nature whatsoever.

30.25 Tenant hereby waives any claim against Landlord which it may have based upon any assertion that Landlord has unreasonably withheld or unreasonably delayed any consent or approval hereunder (to the extent Landlord's consent is expressly required hereunder not to be unreasonably withheld or unreasonably delayed, as the case may be). Tenant agrees that, anything contained in this Lease to the contrary notwithstanding, in the event Landlord refuses or

fails to grant, or delays in the granting of, Landlord's consent, Tenant's sole remedy shall be an action or proceeding to enforce any such provision or for specific performance, injunction or declaratory judgment. In the event Tenant is successful in any such action or proceeding, the requested consent shall be deemed to have been granted; however, Landlord shall have no liability to Tenant for Landlord's refusal or failure to give, or Landlord's delay in giving, such consent. The sole remedy for Landlord's unreasonably withholding or unreasonably delaying of consent shall be as provided in this paragraph.

30.26 Whenever Tenant requests Landlord to take any action not required of it hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord, as Additional Rent, for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing the proposed action or consent, including reasonable attorneys', engineers' or architects' fees, within thirty (30) days after Landlord's delivery to Tenant of a statement of such costs. Tenant shall be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action. The provisions of this Section 30.26 shall be in addition to, and not in lieu of, the provisions of Section 7.1 and any other express administrative cost recovery provisions in this Lease. All references to the terms "expenditures", "fees", "expenses" and words of similar import shall be construed to mean reasonable third party expenditures, fees and expenses actually incurred.

30.27 Should either party hereto institute any action or proceeding in court to enforce any provision hereof, or for damages or for declaratory or other relief hereunder, the prevailing party shall be entitled to receive from the losing party, in addition to court costs, such amount as the court may adjudge to be reasonable as attorneys' fees for services rendered to said prevailing party, and said amount may be made a part of the judgment against the losing party.

30.28 Tenant and Landlord acknowledge that the terms and conditions of this Lease are to remain confidential, and, except as may be required in connection with Tenant's disclosure obligations as a publicly traded company, may not be disclosed by Tenant or Landlord to anyone (other than each party's attorneys, accountants and agents), by any manner or means, directly or indirectly, without Landlord's or Tenant's prior written consent, (which consent may be withheld in each party's sole discretion) except in any litigation or proceeding between the parties hereto, and except further that Tenant, Landlord and such attorneys, accountants and agents may disclose such information to any governmental agency pursuant to any subpoena or judicial process. The consent by Landlord or Tenant to any disclosures shall not be deemed to be a waiver on the part of Landlord or Tenant of any prohibition against any future disclosure.

30.29 There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leased Premises or any interest in such fee estate.

30.30 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE, AND EXCEPT AS PROVIDED IN ARTICLE XXII OF THIS LEASE, NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF THIS LEASE OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

30.31 LANDLORD, TENANT, AND ALL GENERAL PARTNERS OF TENANT EACH WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES, NOTWITHSTANDING THE PROVISIONS OF SECTION 27.1 ABOVE; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES.

30.32 Tenant represents, warrants and covenants that neither Tenant nor any of its partners, officers, directors, members or shareholders (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001)("Order") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (iv) is listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including, without limitation, the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraqi Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 aa-9; The Cuban Democracy Act, 22 U.S.C. §§ 60-01-10; The Cuban Liberty and Democratic Solidarity Act, 18.U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-201, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (vi) is engaged in activities prohibited in the Orders; or (vii) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.). Tenant shall not permit the Premises or any portion thereof to be used, occupied or operated by or for the benefit of any person or entity that is on the OFAC List. Tenant shall provide documentary and other evidence of Tenant's identity and ownership as may be reasonably requested by Landlord at any time to enable Landlord to verify Tenant's identity or to comply with any legal request. Tenant shall indemnify and hold Landlord harmless and against from all losses, damages, liabilities, cost and expenses (including, without limitation, reasonable attorneys' fees and expenses) that are incurred by Landlord and/or its affiliates that derive from a claim made by a third party against Landlord and/or its affiliates arising or alleged to arise from a misrepresentation made by Tenant hereunder or a breach of any covenant to be performed by Tenant hereunder.

ARTICLE XXXI
FURNITURE

31.1 Tenant shall have the right to use that certain office furniture left in Suite 100 (as defined in the License Agreement referenced below) and identified on Exhibit F attached hereto (the "Furniture") at no additional cost or charge to Tenant. Tenant shall maintain the Furniture in the same condition as delivered to Tenant, reasonable wear and tear excepted. Upon the expiration of the Term, the Furniture shall be left by Tenant in the Premises.

ARTICLE XXXII
PARTIAL TERMINATION OF EXISTING LICENSE; TERMINATION OF SUBLEASE

32.1 Tenant is presently occupying the Premises pursuant to that certain License Agreement dated April 11, 2011, as amended by First Amendment to Irrevocable License Agreement dated May 11, 2011, Second Amendment to Irrevocable License Agreement dated April 25, 2012, Third Amendment to Irrevocable License Agreement dated July 17, 2012, Fourth Amendment to Irrevocable License Agreement dated December 15, 2012 and Fifth Amendment to Irrevocable License Agreement dated February 21, 2013 (collectively, the "License Agreement"), and Sublease Agreement dated April , 2012 (the "Sublease"). Effective as of the Commencement Date, the (a) License Agreement shall be deemed to have been terminated as to all of the Licensed Premises except the 1420 Suite, and (b) the Sublease shall be deemed to have been terminated, and neither party shall have any further obligation under the License Agreement (except such obligations that relate to the 1420 Suite) or Sublease, except any indemnification obligations that expressly survive termination to the extent of such survival.

ARTICLE XXXIII
RELOCATION FEE

33.1 Upon full execution and delivery of this Lease by both parties and delivery to Tenant of approval of this Lease by the existing Mortgagee (the "Mortgagee Approval"), Tenant shall pay to Landlord the sum of Fifty Thousand and 00/100 Dollars ($50,000.00) (the "Relocation Fee"). The Relocation Fee shall be paid to Landlord upon the later of (a) the Commencement Date or (b) receipt by Tenant of the Mortgagee Approval.

ARTICLE XXXIV
RIGHT OF FIRST OFFER

34.1 Provided Tenant is not in default beyond any applicable notice and grace period, Landlord agrees to provide Tenant with a right of first offer on contiguous space in the Building known as Suite 210 and Suite 230 (the "First Offer Space"). Landlord shall notify (the "Offer Notice") Tenant of the availability of all or any part of the First Offer Space. The Offer Notice shall specify the minimum size and location of the First Offer Space Landlord is willing to make available ("Notice Space") and the terms and conditions upon which Landlord is willing to offer such Notice Space, which terms shall be those Landlord is willing to accept from a third-party tenant based upon then-prevailing market conditions. Tenant shall have the right to lease all of the Notice Space by furnishing Landlord with written notice of its election to lease such Notice Space within fifteen (15) days after Tenant's receipt of the Offer Notice. The failure by Tenant

to furnish such notice to Landlord in a timely manner as provided above shall constitute a waiver by Tenant of all of Tenant's rights under this Article to lease the Notice Space pursuant to the Offer Notice, provided however, if Landlord has still not leased the Notice Space by the date occurring six (6) months following Tenant's previous declination or failure to respond, whichever date is earlier, on net economic terms not less than ninety-five percent (95%) of the net economic terms offered to Tenant in the Offer Notice, then Landlord shall again advise Tenant of the terms and conditions it would be willing to accept from Tenant with respect to the Notice Space. In the event Tenant delivers notice to Landlord of its election to lease the Notice Space, Landlord and Tenant shall enter into an amendment of this Lease providing for those terms and conditions as set forth in Landlord's offer, provided however, Landlord agrees it shall, at Landlord's cost and expense, integrate such Notice Space with the Premises by creating finished openings between the Notice Space and the Premises in locations reasonably acceptable to Tenant using building standard materials and finishes. Nothing contained herein shall be deemed to grant Tenant a right of first refusal for the leasing of First Offer Space or any other portion of the Building, it being the intention of the Landlord and Tenant that the right of notification granted under this Article is for the purpose of affording the Tenant the opportunity to offer to lease additional space at the time that such space becomes available and Landlord is prepared to lease it. Tenant's obligation to pay Base Rent and Additional Rent shall commence upon the terms set forth in Landlord's notice regarding the Notice Space. The lease term for all First Offer Space shall be coterminous with the initial Term for the Premises. Tenant's rights hereunder are personal to Tenant.

ARTICLE XXXV
ROOF RIGHTS

35.1 Tenant may install, operate and maintain, for its sole use (or that of its subtenants), telecommunications transmission and receiving equipment (including, but not limited to, satellite dishes, antennas, towers, microwave dishes, temporary microwave links, and other trans-receiving equipment) and all necessary or related equipment (including, without limitation, LAN room mechanical equipment units), and supplemental HVAC equipment on the roof of and/or adjacent to the Building (collectively, the "Equipment"), subject to the following terms, conditions and limitations: (a) the Equipment shall be placed in such locations on the roof or Property as is reasonably designated by Landlord; (b) the specifications for the Equipment and the plans for the installation thereof shall be subject to Landlord's prior written consent (not to be unreasonably withheld, delayed or conditioned, and shall be deemed granted if Landlord fails to disapprove within ten (10) days following Landlord's receipt of Tenant's written request); (c) the installation of the Equipment shall, in all events, comply with the provisions of Article IX hereof; (d) Tenant shall be solely responsible for all costs and expenses incurred for the operation, maintenance, repair, replacement and removal of the Equipment, including but not limited to any electricity used by the Equipment, which consumption shall be measured, at Landlord's option, by the submeter measuring Tenant's electric consumption within the Premises, or an additional submeter which shall be installed at Tenant's expense in order to measure such electric consumption; (e) Tenant shall obtain and maintain in full force and effect any approval required by any regulatory body having authority over the installation or operation of the Equipment, and, upon receipt of a written request from Landlord, shall deliver evidence of same to Landlord; (f) Tenant's installation or operation of the Equipment shall not void any then-

existing roof warranty; (g) subject to Section 13.3, Tenant shall indemnify, defend, and hold harmless Landlord and Landlord's agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) suffered by or claimed against them, directly or indirectly, based on or arising out of, or in any way relating to, directly or indirectly, in whole or in part, the presence of the Equipment at the Building; (h) Tenant shall not be permitted to access the roof in order to service the Equipment, except on prior notice to, and in the presence of a representative of, Landlord (except in the case of an emergency, in which event Tenant shall be entitled to gain immediate access without prior notice to Landlord, but Tenant shall advise Landlord of such emergency and access as soon as reasonably practical; (i) the Equipment shall be screened from public view; and (j) upon the expiration or earlier termination of this Lease, Tenant shall, at Landlord's option, remove the Equipment, repair all damage caused thereby, and restore the affected portions of the roof to the condition existing immediately prior to the installation thereof reasonable wear and tear and effects of casualty and condemnation excepted. Tenant shall not be obligated to pay to Landlord any rent, license or use fees with respect to Tenant's occupancy of the space for the Equipment. Landlord agrees that, at no cost to Landlord, it shall cooperate with Tenant in Tenant's pursuit of any approvals, licenses, or permits associated with the Equipment, which cooperation shall include executing any necessary owner's consent.

(Remainder of page left intentionally blank - Signature page to follow)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

LANDLORD:

BEDMINSTER 2 FUNDING, LLC,

By: Advance Realty Development, LLC, it's sole member

By: /s/ Kurt R. Padavano
Name: Kurt R. Padavano
Title: Authorized Representative

TENANT:

AMARIN PHARMA INC.

By: /s/ John F. Thero
Name: John F. Thero
Title: President

EXHIBIT A

PREMISES

EXHIBIT B

INTENTIONALLY DELETED

EXHIBIT C

BUILDING RULES AND REGULATIONS

The following rules and regulation shall apply to the demised premises, the building, the complex, and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways, and other common areas to which Tenant has access shall not be obstructed by Tenant or Tenant's agents, or used for purposes other than ingress to and egress from the demised premises and for going from one part of the building to another.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. All costs incurred to repair any damage to plumbing, fixtures or appliances from misuse by Tenant or Tenant's agents shall be paid by Tenant.

3. Without the prior written consent of Landlord, no signs, advertisements or notices shall be inscribed, painted, affixed or displayed in, on, upon or behind any windows or doors (except as may be mandated by the applicable legal requirement), or to any other portion of the demised premises, the building or the complex. No company name, logo, sign, advertisement or notice shall be inscribed, painted or affixed outside the demised premises or on any doors without the prior written consent of Landlord. If such consent is given by Landlord, any such sign, advertisement or notice shall be inscribed, painted or affixed by Landlord at Tenant's cost.

4. Landlord shall provide all door locks to the demised premises at Tenant's cost, and Tenant shall not install any additional door locks in the demised premises without Landlord's prior written consent, which shall not be unreasonably withheld. Landlord shall initially provide to Tenant, without charge, two (2) keys each to the demised premises and the building, and upon Tenant's request, Landlord shall provide to Tenant, also without charge, two (2) additional sets of keys. Landlord shall provide any additional keys requested by Tenant, at Tenant's cost. Upon the expiration date or sooner termination of the Lease, Tenant shall return all keys to Landlord, and shall reimburse Landlord for the cost to replace any keys which are lost or otherwise not returned to Landlord. Tenant may, subject to obtaining Landlord's prior consent, install a security system in the demised premises which uses master codes or cards instead of keys, provided that Tenant provides Landlord with the master code or card for such system.

5. Tenant shall not move furniture or office equipment in or out of the building, or dispatch or receive any bulky material, merchandise or materials which require movement through the lobby or use of elevators or stairways (collectively, "moving" or "moved") without Landlord's consent. All such moving shall be conducted under Landlord's supervision, at such times and in such a manner as Landlord may reasonably require. Tenant assumes all risks of, and shall be liable for, all damage to articles moved and injury to persons or public as a result of

any such moving, and any damage to the building and/or the complex caused by such moving shall be repaired by Landlord, at Tenant's cost. Landlord reserves the right to reasonably inspect all freight to be brought into the building, and to exclude from the building any freight which violates these Rules and Regulations or the Lease. Landlord shall provide without charge to Tenant freight elevator service (y) for Tenant's deliveries of furniture and initial move into the demised premises and (z) Tenant's move out of the demised premises including, in both events without limitation, the delivery of furniture and equipment.

6. Landlord may (i) prescribe size and weight limitations, (ii) designate specific locations within the demised premises for safes and other heavy equipment or items, and (iii) require the use of supporting devices, so as to distribute weight in a manner reasonably acceptable to Landlord.

7. Any damage to the building resulting from the installation or removal of any property belonging to Tenant or Tenant's agents shall be repaired by Tenant or, at Landlord's option, such repairs shall be performed by Landlord, in which case Tenant shall reimburse Landlord for all costs and expenses incurred in connection therewith.

8. When not in use, all doors leading from the demised premises to the corridors shall be kept closed. Nothing shall be swept or thrown into the corridors, elevator shafts, stairways or any other portion of the common areas.

9. No portion of the demised premises shall be used or occupied at any time as sleeping or lodging quarters.

10. Tenant and Tenant's agents shall cooperate with Landlord's employees in keeping the demised premises neat and clean. Except as provided to the contrary in the Lease, the design, arrangement, style, color, character, quality and general appearance of the portion of the demised premises visible from public, common and exterior areas, and contents of such portion of the demised premises, including furniture, fixtures, signs, art work, wall coverings, carpet and decorations, and all changes, additions and replacements thereto shall at all times have a neat professional, attractive, first class office appearance. Tenant shall not enter into any contract with any supplier of towels, water toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, or other similar services without the prior written consent of Landlord.

11. Tenant shall not employ any person or persons for the purpose of cleaning the demised premises without the prior written consent of Landlord. Tenant shall notify Landlord within eight (8) hours of any spill or stain on any carpeting within the demised premises, so that Landlord may advise the janitorial service to promptly remove such stain. If Landlord is not notified, but observes the stain, then Landlord may enter the demised premises and have the stain removed. The cost of removing any such stains shall be the responsibility of Tenant, regardless of whether or not Tenant advised Landlord of the existence thereof.

12. To ensure orderly operation of the building, no ice, towels, etc. shall be delivered to the demised premises except by parties approved in advance by Landlord, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, water and newspapers may be delivered to the demised premises without Landlord's consent.

13. Tenant shall not make or permit any vibration or improper, unusual, objectionable or unpleasant noises or odors in the building or otherwise interfere in any way with other tenants or persons having business therein.

14. No machinery, other than normal office equipment, shall be operated in the demised premises or in the common areas without Landlord's prior written consent.

15. Landlord shall not be responsible to Tenant or any other party for any loss of or damage to property, whether within the demised premises or the common areas, however occurring.

16. No vending or dispensing machines of any kind may be maintained in the demised premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

17. Tenant shall not conduct any activity on or about the demised premises, the building or the complex which, in Landlord's good faith judgment, would tend to draw pickets, demonstrators, or the like, or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the building.

18. No tenant shall in any way deface any part of the demised premises or the building. No tenant shall lay linoleum, or other similar floor covering, so that the same shall come into direct contact with the floor of the demised premises, and if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

19. All vehicles belonging to Tenant and Tenant's agents which are parked in the parking area shall be: (i) licensed; (ii) in good operating condition; (iii) parked within designated parking spaces, one vehicle to each space; and (iv) parked in such space only during such time as the operator of such vehicle is in the demised premises for the purpose of conducting business with or for Tenant. No vehicle may be parked as a "billboard" vehicle in the parking area. If any vehicle belonging to Tenant or Tenant's agents is parked improperly, then Landlord shall have the right to: (y) tow such vehicle from the parking area at Tenant's expense; or (z) place a "boot" on the vehicle to immobilize it, and charge Landlord's then-standard rate to remove the "boot". Tenant shall indemnify, defend and hold harmless Landlord and Landlord's agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including litigation costs and attorneys' fees) arising, whether directly or indirectly, in whole or in part from the towing or booting of any vehicles belonging to Tenant or Tenant's agents.

20. Landlord reserves the right to control access to and use of, and monitor and supervise any work in or affecting, the "wire" or telephone, electrical, plumbing or other utility closets, the systems and equipment, and any changes, connections, new installations, and wiring

work relating thereto (or Landlord may engage or designate an independent contractor to provide such services). Tenant shall obtain Landlord's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed for any such access, use and work in each instance, and shall comply with such requirements as Landlord may reasonably impose, and the other provisions respecting electric installations and connections, respecting telephone lines and connections, and respecting work in general. Except with Landlord's consent as aforesaid, Tenant shall have no right to use any broom closets, storage closets, janitorial closets, or other such closets, rooms and areas whatsoever. Tenant shall not install in or for the demised premises any equipment which requires more electric current than Landlord is required to provide under this Lease, without Landlord's prior written approval.

21. Tenant shall not use the demised premises for any use which is disreputable, creates fire hazards, or results in an increased rate of insurance on the building, the complex, or any of its contents.

22. All garbage, refuse, trash and other waste shall be kept by Tenant in the kind of container, placed in the areas, and prepared for collection in the manner and at the times and places specified by Landlord, subject to respecting hazardous materials.

23. In order to ensure security of the building and the complex, Landlord reserves the right to: (i) reasonably limit or regulate access to the building during nights and weekends; (ii) exclude from the building, at any time other than normal business hours (i.e., 9:00 A.M. and 5:00 P.M.), all persons who do not present an employee identification card or a pass to the building signed by an authorized signatory of Tenant. Tenant shall be responsible for all persons to whom it issues such an identification card or pass. If Landlord provides overtime HVAC service, same shall only be provided to the perimeter units located within the demised premises, and not to any central system serving the building.

24. The building is a smoke-free environment, and smoking is not permitted anywhere in the building, including the common areas and the demised premises. Any persons wishing to smoke shall extinguish their cigarettes in the receptacles to be provided outside of the rear entrance to the building, and are prohibited from discarding cigarette butts on the ground or outside of any building entrance.

25. Tenant shall not waste electricity, water, heat or air conditioning or other utilities or services, and agrees to cooperate with Landlord in Landlord's efforts to cause the building to operate in and to assure the most effective and energy-efficient manner and shall not allow the adjustment (except by Landlord's authorized building personnel) of any controls. Tenant shall not obstruct, alter or impair the efficient operation of the building systems and equipment, and shall not place any item so as to interfere materially with air flow. Tenant shall keep corridor doors closed.

26. Tenants requiring service shall call Landlord at 908-719-3000, between the hours of 8:30 a.m. to 5:00 p.m., Monday – Friday. In the event of an emergency, whether plumbing, water leaks, power outage, fire, theft, etc., Tenant shall contact Landlord's maintenance department immediately at the above telephone number.

27. No services shall be provided to the demised premises unless Tenant makes an application therefor at the office of the building manager. Employees of Landlord shall not perform any work for Tenant or do anything outside of their regular duties unless under special instructions from Landlord.

28. Tenant shall not conduct, or permit any other person to: (i) conduct any auction within the demised premises; (ii) manufacture or store goods, wares or merchandise upon the demised premises, except for the storage of usual supplies and inventory to be used by Tenant in the conduct of its business within the demised premises; (iii) use the demised premises for gambling; (iv) make or permit objectionable noise, vibration or music to emanate from the demised premises; (v) adversely affect the indoor air quality of the demised premises or building; (vi) produce unusual odors within the demised premises; (vii) occupy any portion of the demised premises as an office of a public stenographer, or as a barber or manicure shop; (viii) possess, store, manufacture or sell any intoxicating beverages or tobacco within the demised premises; (ix) bring any no dangerous, inflammable, combustible or explosive object or material into the building; (x) use strobe or flashing lights in or on the demised premises; (xi) use any source of power other than electricity; (xii) operate any electrical or other device from which may emanate electrical, electromagnetic, x-ray, magnetic resonance, energy, microwave, radiation or other waves or fields so to unreasonably interfere with or impair radio, television, microwave, or other broadcasting or reception from or in the building, or impair or interfere with computers, faxes or telecommunication lines or equipment at the building or elsewhere, or create a health hazard; (xiii) bring or permit any bicycle or other vehicle (except a wheelchair or cart for a handicapped person), or dog (except in the company of a blind person or except where specifically permitted) or other animal or bird in the building; or (xiv) do or permit any Tenant's agents or visitors to do upon the demised premises or building anything in any way tending to unreasonably disturb, bother, annoy or interfere with Landlord or any other tenant at the building, or otherwise disrupt orderly and quiet use and occupancy of the building.

29. Landlord reserves the right to exclude or expel from the building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules.

30. Except as expressly provided to the contrary in the Lease, and subject to all of the terms thereof, Tenant shall not at any time cook or sell food in any form by or to any of Tenant's agents or employees or any other parties on the demised premises, nor permit any of the same to occur (other than in microwave ovens and coffee makers properly maintained in good and safe working order and repair in lunch rooms or kitchens for employees as may be permitted or installed by Landlord, which does not violate any applicable legal requirements or bother or annoy any other tenant).

31. No awnings or other projections shall be attached to the outside walls of the building. No curtains, blinds, shades or screens shall be attached or hung in, or used in connection with, any window or door of the demised premises without the prior written consent of Landlord as to quality, type, design and color, and method of attachment.

32. Canvassing, solicitation and peddling in the building and the complex are prohibited, and Tenant shall cooperate to prevent the same.

33. Furniture, freight and other large or heavy articles, and all other deliveries may be brought into the building only at times and in the manner designated by Landlord, and always at the Tenant's sole responsibility and risk. Landlord may inspect items brought into the building or demised premises with respect to weight or dangerous nature or compliance with all applicable legal requirements. Landlord may (but shall have no obligation to) require that all furniture, equipment, cartons and other articles removed from the demised premises or the building be listed and a removal permit therefor first be obtained from Landlord. Tenant shall not take nor permit Tenant's agents or visitors to take in or out of other entrances or elevators of the building any item normally taken, or which Landlord otherwise reasonably requires to be taken, in or out through service doors or on freight elevators. Landlord may impose reasonable charges and requirements for the use of freight elevators and loading areas, and reserves the right to alter schedules without notice. Any handcarts used at the building shall have rubber wheels and sideguards, and no other material handling equipment may be brought upon the building without Landlord's prior written approval.

34. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the building or its desirability as an office building, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

35. Tenant shall cooperate with Landlord in connection with, and shall participate in (including all of Tenant's employees and invitees who are in the demised premises at the time of any fire drill), fire drills for the building that are organized by or on behalf of Landlord from time to time (not more frequently than once per calendar quarter). Landlord shall give Tenant reasonable advance notice of each fire drill.

36. At Landlord's option, tenants shall purchase from Landlord or its designee all lighting tubes, lamps, bulbs and ballasts used at the demised premises and tenants shall pay Landlord's actual costs without markup.

37. Tenant shall be responsible for ensuring compliance by Tenant's agents and visitors with these Rules, as they may be amended from time to time upon reasonable prior notice to Tenant. Tenant shall cooperate with any reasonable program or requests by Landlord to monitor and enforce the Rules and Regulations and taking appropriate action against such of the foregoing parties who violate these provisions.

38. Any sums payable by Tenant hereunder shall be considered additional rent, and shall be paid within ten (10) days after an invoice therefor is given to Tenant.

39. Unless otherwise defined in these Rules and Regulations, capitalized terms shall have the meaning ascribed to them in the Lease. In the event of any conflict between these Rules and Regulations and the terms and provisions of the Lease, the latter shall control the resolution of such conflict.

41. Landlord reserves the right to rescind, alter or waive any rule or regulation at any time prescribed for the building. No rescission, alteration or waiver of any rule or regulation in favor of one tenant shall operate as a rescission, alteration or waiver in favor of any other tenant.

EXHIBIT D

COMMENCEMENT DATE AGREEMENT

THIS COMMENCEMENT DATE AGREEMENT, made as of the day of , 2013, by and between BEDMINSTER 2 FUNDING, LLC, a New Jersey limited liability company ("Landlord"), and AMARIN PHARMA INC., a ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of a certain building located at 1430 Route 206, Bedminster, New Jersey (the "Building"); and

WHEREAS, by that certain lease dated , 2013 (the "Lease"), Landlord leased a portion of the Building (the "Premises") to Tenant; and

WHEREAS, Tenant is in possession of the Premises and the Term of the Lease has commenced; and

WHEREAS, under Section 3.2 of the Lease, Landlord and Tenant agreed to enter into an agreement setting forth certain information with respect to the Premises and the Lease;

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The Commencement Date occurred on , 2013.

2. The Term of the Lease shall expire on , 2018, unless Tenant exercises its option to extend the Term of the Lease or unless the Lease terminates earlier as provided in the Lease.

Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Commencement Date Agreement to be executed the date and year first above written.

LANDLORD:

BEDMINSTER 2 FUNDING, LLC, a New Jersey limited liability company

By: Advance at Bedminster, LLC a New Jersey limited liability company,
its managing member

By: _____
Name: Kurt R. Padavano
Title: Authorized Representative

TENANT:

AMARIN PHARMA INC.

By: _____
Name:
Title:

EXHIBIT E

JANITORIAL SPECIFICATIONS

Daily

General, Private Offices and Lobby Areas

1. Empty wastebaskets and other refuse such as cardboard boxes, which will be flattened and transported by the janitorial company to the outside trash enclosure. NOTE: All refuse not in standard wastebaskets must be designated as trash by the Tenant.

2. Clean and sanitize all drinking fountains.

3. Spot clean desktops.

4. Clean all counter tops.

5. Spot clean tenants' interior glass partitions and doors.

6. Sweep and vacuum all stairways.

7. Remove fingerprints from doors, frames, light switches, kick and push plates and handles.

8. All lobby glass doors are to be cleaned nightly.

9. Sweep exterior of building entrances looking for cigarette butts and papers and service entrance urns if applicable.

10. Clean all baseboard ledges, moldings, directory, depositories and window frames.

11. Clean all lobby directory glass.

12. Clean and polish all anodized metal finishes in all lobbies.

13. Clean all entry thresholds.

14. Dust all mullions, sills and other surfaces up to 84" high.

15. Vacuum all carpeted areas.

Washrooms

1. Clean, sanitize and polish all vitreous fixtures including toilet bowls, urinals and hand basins.

2. Clean and sanitize all flush rings, drains and over flow outlets.

3. Clean and polish all chrome fittings.

4. Clean and sanitize both sides of toilet seats.

5. Clean and polish all glass mirrors.

6. Empty all containers and insert replacement liners.

7. Wash and sanitize the exterior of all disposal containers.

8. In women’s room empty and sanitize interior of sanitary containers.

9. Spot clean metal partitions.

10. Remove spots, stains, and splashes from wall areas adjacent to hand basins.

11. Refill all dispensers to normal limits, this would include the following items; paper towels, toilet tissue, soap dispensers, sanitary napkins, and any other supplies requested by landlord. Note: All supplies will be furnished by janitorial company.

12. Remove fingerprints from doors, doorframes, light switches, door handles, kick and push plates.

13. Check for proper operation of all soap and sanitary napkin dispensers.

Elevators

1. Within each elevator cab, vacuum and spot clean carpet stains.

2. Dust, clean and polish all stainless steel handrails, brushed brass doors and door frames and wipe clean elevator walls.

3. Thoroughly vacuum door tracks.

4. Wipe clean all items on the control panel.

Stairs and Stairwells

1. Wipe clean handrails in stairwells.

2. Damp mop, sweep or vacuum all steps and landings.

3. Wipe clean and dust stairway stringers and undersides if applicable.

Vending and Kitchen Areas

1. Empty, sanitize and provide new liners for all trash receptacles.

2. Wash and sanitize the exterior of all trash receptacles.

3. Wash and sanitize all table and counter tops.

4. Wash and sanitize interior and exterior of microwave oven.

5. Spot clean all cafeteria chairs.

6. Spot clean all wall surfaces.

7. Arrange all tables and chairs in neat order.

Daily

Floors: Resilient and Hard

1. Burnish all common area (atrium) granite floors.

2. Dust, mop or sweep all floors.

3. When damp mopping; use only cool fresh water.

4. Remove all spills, smears etc. that did not come off in sweeping and mopping.

Floors: Carpet

1. Vacuum all rugs and carpets including all open areas (not under desks). Remove all gum, staples, paper clip and tar from rug and carpet surfaces.

2. Spot clean all stains with a manufacturer's specified product.

3. Clean all atrium weather mats with a vacuum and damp wipe vinyl edges to remove all dust when mats are in use.

General Requirements and Information

1. Complete "Security Log" and "Janitorial Company Log" in accordance with Landlords Building Closing Procedure.

2. Tenant hallway doors are to remain locked during cleaning. Exterior building doors are not to be held open when removing trash from the building. Your card access must stay with you at all times.

3. Notify the designated Landlord contact of any emergency or security situation, no matter how insignificant it may be.

4. Turn off all lights per landlord's instruction.

5. The exterior trash enclosure is to be left closed and in a clean and orderly state.

6. All on-site janitorial personnel will wear uniforms deemed appropriate by Landlord, which are supplied by the janitorial company.

7. All supply rooms and janitor closets must be cleaned and organized at the end of each night.

Weekly

General, Private Offices and Lobby Areas

1. Dust all furniture including desks, chairs and tables.

2. Dust all exposed filing cabinets, bookcases and shelves.

3. Low dust all horizontal surfaces to hand height (70”) including shelves, moldings and ledges.

4. High dust all horizontal surfaces including shelves, moldings and ledges.

5. Clean all common area HVAC diffusers.

6. Clean public telephone, both mount and phone set.

Washrooms

1. Dust metal partitions.

2. Low/high dust horizontal surfaces including sills, moldings, ledges, shelves frames, exposed ducts and heating outlets.

3. Dust all furniture including tables, chairs and benches.

4. Clean and disinfect floor drains and polish chrome.

5. Scrub all floor areas with germicidal solution.

Vending and Kitchen Areas

1. Low/high dust horizontal surfaces including sills, moldings, ledges, shelves, frames, exposed ducts, heating outlets and vending machines.

Floors: Resilient and Hard

1. Auto scrub main lobby per industry standards and manufacturers recommended procedures.

Floors: Carpet

1. Vacuum entire carpeted areas including all non-open areas not addressed in daily routine, such as under desks.

2. Spot clean as required carpet at entrances to heavy foot traffic areas.

Monthly

General, Private Offices and Lobby Areas

1. Clean and polish bright metal surfaces to hand height.

2. Remove dust and cobwebs from ceiling tiles.

3. Vacuum HVAC diffusers in ceilings.

4. Hand dust all wood paneled surfaces.

5. Wash all vinyl and metal kick plates on doors.

6. Wet mop all stairwells, including the landings, and wipe down all handrails.

Washrooms

1. Wash and sanitize all metal partitions.

2. Flush toilet bowls and urinals with “Bowlclene” or similar product.

3. Damp wipe restroom and shower tile walls to sanitize.

4. Vacuum HVAC diffusers in ceilings and walls (exhaust ducts).

5. High dust lights, walls and ceiling grills.

Floors: Resilient and Hard

1. Maintain all flooring per industry standards and manufactures recommended procedures.

Quarterly

A schedule specifying the approximate dates for the following quarterly tasks is to be provided by the janitorial company. The purpose of this schedule is to provide a specific time frame for these tasks to be performed and completed so that adherence to the contract specifications is assured. The owner’s representative on site will approve this schedule.

General, Private Offices and Lobby Areas

1. Clean and sanitize all telephones.

2. Clean the entire glass surface of all door and partition lights.

3. Dust all window blinds.

4. Dry clean areas adjacent to HVAC diffusers.

5. Clean and polish entire surface of all cleared desktops.

6. Perform all wood surface maintenance.

7. Clean interior of all “high hat” lighting fixtures.

8. High dust all horizontal and vertical surfaces not reached in daily, weekly or monthly cleanings.

9. Dust all picture frames, charts and similar hanging items not dusted in daily, weekly or monthly cleanings.

Washrooms

1. Dry clean areas adjacent to HVAC diffusers.

Vending and Kitchen Areas

1. Vacuum clean the entire seat area of cafeteria chairs.

2. Remove anything attached to the underside of the cafeteria tables.

3. Damp mop under all vending machines.

Semi-Annually

A schedule specifying the approximate dates for the following semi-annual tasks is to be provided by the janitorial company. The purpose of this schedule is to provide a specific time frame for these tasks to be performed and completed so that adherence to the contract specifications is assured. The owner’s representative on site will approve this schedule.

General, Private Offices and Lobby Areas

1. Wash all wastebaskets.

Washrooms

1. Wash light fixtures in all washrooms and shower areas.

Carpet Maintenance Program

Daily

1. Spot clean all affected areas, this includes tenant areas.

Monthly

Shampoo areas of common area carpet only as required based on traffic and spills. Note: Shampoo process to be the “double process”.

If tenant requires monthly carpet cleaning within their leased office space, the janitorial company will provide an additional price for this service.

Quarterly

1. Pile lift carpet as required in common areas only.

Annually

It is the intent of this program to maximize the carpet appearance through regular and on going care. Entire office area carpet cleaning should be done as required and at the approval of the Landlord.

EXHIBIT F

FURNITURE

EXHIBIT G

RENEWAL RIDER

(a) Subject to the provisions of this Renewal Rider, Tenant shall have the right to renew this Lease for one (1) consecutive term of five (5) years (the "Renewal Term"), by delivering written notice of the exercise thereof to Landlord ("Tenant's Renewal Notice") not later than twelve (12) months before the expiration of the Term, TIME BEING OF THE ESSENCE, provided : (i) Tenant is the initial named Tenant hereunder; (ii) no default exists either at the time of such exercise or at the commencement of the Renewal Term; and (iii) Tenant is occupying all or substantially all of the Premises at the time of such exercise and upon the commencement of the Renewal Term. Rent payable during the Renewal Term shall be the prevailing rental rate as determined below (the "Prevailing Rental Rate") which is in effect upon the commencement of the Renewal Term. The Base Year during the Renewal Term shall be the calendar year immediately preceding the calendar year in which the Renewal Term commences. Tenant shall lease the Premises during the Renewal Term in its then-current condition, and Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

(b) Any determination of the Prevailing Rental Rate, which shall be determined in accordance with the criteria set forth in this Paragraph (b), shall take into account all relevant market conditions then existing in connection with the leasing of comparable space (including quality, size, age, fit-out, utility and location) to renewing tenants in buildings in the Geographic Area which are similar to the Building. Such factors shall include, but not be limited to, the creditworthiness of Tenant; any construction allowances or any rental concessions customarily given to tenants of similar creditworthiness as Tenant; brokerage commissions; and the updated base year for purposes of determining Tenant's Proportionate Share of the Operating Charges Escalation, Real Estate Charges Escalation and Utilities Charges Escalation. Except for the sole purpose of determining the Prevailing Rental Rate, the appraisers shall not have the power to add to, modify or change any of the provisions of this Lease. The procedure for establishing the Prevailing Rental Rate shall be as follows:

(i) Not later than 120 days prior to the commencement of the Renewal Term, Landlord shall notify Tenant of Landlord's determination of the Prevailing Rental Rate ("Landlord's Determination").

(ii) Within thirty (30) days after delivery of the notice setting forth Landlord's Determination, Tenant shall notify Landlord ("Tenant's Notice") whether Tenant (A) accepts Landlord's Determination or (B) disputes Landlord's Determination. If Tenant's Notice accepts Landlord's Determination then Landlord's Determination shall, for all purposes, constitute the Prevailing Rental Rate. If Tenant refuses or fails in a timely manner to give Tenant's Notice, then Tenant will be deemed to have accepted Landlord's Determination. If Tenant's Notice disputes Landlord's Determination, Tenant's Notice shall include Tenant's determination of the Prevailing Rental Rate ("Tenant's Determination") as determined by an independent real estate appraiser selected by Tenant.

(iii) If Tenant's Notice disputes Landlord's Determination as aforesaid, then within thirty (30) days after delivery of Tenant's Notice, Landlord shall notify Tenant ("Landlord's Notice") whether Landlord accepts or disputes Tenant's Determination. If Landlord's Notice disputes Tenant's Determination, Landlord's Notice shall include a second determination of the Prevailing Rental Rate ("Landlord's Second Determination"), as determined by an independent real estate appraiser selected by Landlord. If Landlord's Second Determination exceeds Tenant's Determination by three (3%) percent or less, the Base Rent shall be the average of Landlord's Second Determination and Tenant's Determination. If Landlord's Second Determination exceeds Tenant's Determination by more than three (3%) percent, Landlord or Tenant shall apply to the office of the American Arbitration Association (or any successor organization) closest to the Building to designate a third independent real estate appraiser (the "Third Appraiser") in accordance with the then-prevailing rules, regulations and/or procedures of the American Arbitration Association, and if the American Arbitration Association (or any successor organization) is unable or unwilling to designate the Third Appraiser, then either party may commence a legal proceeding to have the Third Appraiser appointed. Any appraiser appointed pursuant to this subparagraph (iii) shall be an independent real estate appraiser with at least ten (10) years' experience in leasing and valuation of properties in the Geographic Area which are similar in character to the Building, who has worked for neither Landlord nor Tenant within the preceding five (5) years.

(iv) The Third Appraiser shall conduct such hearings and investigations as (s)he may deem appropriate and shall, within thirty (30) days after the date of his or her designation as the Third Appraiser, choose either Landlord's Second Determination or Tenant's Determination, and such choice shall be conclusive and binding upon Landlord and Tenant.

(v) Each party shall pay its own counsel fees and expenses in connection with any arbitration hereunder, including the expenses and fees of any appraiser selected by it in accordance with the terms hereof, and Landlord and Tenant shall share equally the costs and expenses of the Third Appraiser.

(c) If the final determination of the Prevailing Rental Rate is not made on or before the first day of the Renewal Term, then pending such final determination Tenant shall pay, as the Base Rent for the Renewal Term, an amount equal to Landlord's Determination (or, if Landlord shall have given Landlord's Second Determination, Landlord's Second Determination). If the payments made by Tenant prior to establishing the Prevailing Rental Rate were greater than the actual Base Rent payable for the Renewal Term, then provided Tenant is not in default under any provision of this Lease, Landlord shall, at Landlord's option, either credit the overpayment toward Tenant's next monthly payment(s) of Base Rent due hereunder, or refund such overpayment to Tenant.

(d) Landlord and Tenant shall promptly execute an amendment to this Lease evidencing any extension of the Term pursuant to this Renewal Rider, but no such amendment shall be necessary in order to make the provisions of this Renewal Rider effective.

(e) Tenant's right to renew this Lease shall automatically terminate if: (i) this Lease or Tenant's right to possession of the Premises is terminated; or (ii) Tenant assigns its interest in this Lease or sublets any portion of the Premises to any party other than pursuant to Section 7.9 of the Lease.

(f) Tenant shall have no further right to extend the Term following the expiration of the Renewal Term, unless expressly granted by Landlord in writing, which right may be granted or withheld in Landlord's sole discretion.

(g) Except as set forth in this Renewal Rider, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in effect during any Renewal Term.

EXHIBIT 31.1

CERTIFICATION

I, Joseph Zakrzewski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amarin Corporation plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ Joseph Zakrzewski

Joseph Zakrzewski
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, John F. Thero, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amarin Corporation plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2013

/s/ John F. Thero

John F. Thero
President (Principal Financial Officer)

EXHIBIT 32.1

STATEMENT PURSUANT TO 18 U.S.C. § 1350

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Joseph Zakrzweski, Chief Executive Officer (Principal Executive Officer) of Amarin Corporation plc (the "Company") and John F. Thero, President (Principal Financial Officer) of the Company, each hereby certifies that, to the best of his knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2013, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the end of such year.

/s/ Joseph Zakrzewski

Date: May 9, 2013

Joseph Zakrzweski
Chief Executive Officer (Principal Executive Officer)

/s/ John F. Thero

Date: May 9, 2013

John F. Thero
President (Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not incorporated by reference into any filing of Amarin Corporation plc under the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.