

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

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

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

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 number 0-21392

**AMARIN CORPORATION PLC**

(Exact Name of Registrant as Specified in Its Charter)

**England**

(Jurisdiction of Incorporation or Organization)

**7 Curzon Street**

**London W1J 5HG**

**England**

(Address of Principal Executive Offices)

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

Title of Each Class

None

Name of Each Exchange  
On Which Registered

None

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

**American Depositary Shares, each representing one Ordinary Share**

**Ordinary Shares, £1.00 par value per share**

(Title of Class)

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

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

**17,939,786 Ordinary Shares, £1.00 par value per share**

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 which financial statement item the registrant has elected to follow.

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as “API”, and Amarin Development (Sweden) AB, our former Swedish subsidiary may be referred to in this annual report as “Amarin AB”. Elan Corporation plc or its affiliates, a related party, may be referred to in this annual report as “Elan”.

Also, as used in this annual report, unless the context otherwise indicates, the term “Ordinary Shares” refers to our Ordinary Shares, par value £1.00 per share, and the term “Preference Shares” refers to our 3% cumulative convertible preference shares, par value £1.00 per share. Unless otherwise specified, all shares and share related information (such as per share information and share price information) in this annual report have been adjusted to give effect, retroactively, to our ten-for-one Ordinary Share consolidation effective on July 17, 2002 whereby ten ordinary shares of 10p each became one Ordinary Share of £1.00 each.

In this annual report, references to “pounds sterling” or “£” are to UK currency and references to “US dollars”, “\$” or “US\$” are to US currency.

This annual report contains trademarks, tradenames or registered marks of us and other entities, including:

- Phrenilin (R), Bontril (TM) and Motofen (R), which were registered in or used by us or our former affiliates;
- Permax (R), which during the fiscal year covered by this report was registered in Eli Lilly and Company or its affiliates, which we may refer to in this annual report as “Lilly”;
- Zelapar(TM), which is registered in Elan; and
- Moraxen(TM), which is registered in CeNeS Limited or its affiliates which we may refer to in this annual report as “CeNeS”.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements. Additionally, we may make forward-looking statements in future filings with the SEC and in written material, press releases and oral statements issued by or on behalf of us. All statements other than statements of historical facts included in this annual report, including statements regarding our intent, belief or current expectations or those of our management regarding various matters, or statements that include forward-looking terminology such as “may,” “will,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “assumes,” “continues,” or similar expressions, are forward-looking statements. These forward-looking statements relate, among other things, to our future capital needs, our ability to further acquire marketable products, acceptance of our products by regulatory and governmental bodies, prescribers and end-users, competitive factors and our marketing and sales plans.

Forward-looking statements are subject to risks and uncertainties, certain of which are beyond our control. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the factors described in Item 3 “Key Information — Risk Factors.” Some, but not all, of these factors are:

- the timing of our future capital needs and our ability to raise additional capital when needed;
- reliance on the development of a single product;
- our ability to compete with other pharmaceutical companies;
- our ability to develop or acquire new products;
- our ability to attract and retain key personnel; and

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- implementation and enforcement of government regulations.

This list of factors is not exhaustive and other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

All forward-looking statements in this annual report are based on information available to us as of the date of this annual report, reflect our current views with respect to future events and financial performance, speak only as of the date of this annual report and are not intended to give any assurance as to future results. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statements that may be made by us, or on our behalf, in this annual report or otherwise, whether as a result of new information, future events or other reasons. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained here and throughout this annual report. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this annual report might not transpire and we caution investors not to place undue reliance on these forward-looking statements.

### PART I

#### Item 1 Identity of Directors, Senior Management and Advisers

Not applicable.

#### Item 2 Offer Statistics and Expected Timetable

Not applicable.

#### Item 3 Key Information

## A. Selected Financial Data

### General

The following table presents selected historical consolidated financial data. The selected historical consolidated financial data as of December 31, 2001, 2002 and 2003 and for each of the three years ended December 31, 2001, 2002 and 2003 have been derived from our audited historical consolidated financial statements included within the consolidated financial statements beginning on page F-1 of this annual report, which have been audited by PricewaterhouseCoopers LLP, chartered accountants and registered auditors for the years ended December 31, 2002 and 2003 and by their predecessor firm, PricewaterhouseCoopers, for the year ended December 31, 2001. The selected historical consolidated financial data as of December 31, 2000 and for the year then ended has been derived from our audited historical financial statements which are not included in these financial statements. The selected historical consolidated financial data for the year ended December 31, 1999 has not been audited but has been presented in order to facilitate comparisons of data during the transition in 1999 from an August 31 fiscal year-end to a December 31 fiscal year-end.

Unless otherwise specified, all references in this annual report to “fiscal year” or “year” of Amarin refer to a twelve-month financial period ended December 31. We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the UK, which we refer to as “UK GAAP” and which differs in certain significant aspects from generally accepted accounting principles in the US, which we refer to as “US GAAP”. These differences have a material effect on net income/(loss) and the composition of shareholders equity. A detailed analysis of these differences can be found in Note 40 to the consolidated financial statements beginning on page F-1 of this annual report. Note 40 to our consolidated financial statements also provides a reconciliation of our consolidated financial statements to US GAAP.

During 2002 our Ordinary Shares were consolidated on a ten-for-one basis. Concurrently, we amended the terms of our American Depositary Shares, or ADSs, to provide that each ADS would represent one Ordinary Share. Previously each ADS had represented ten ordinary shares of 10p each. The new conversion ratio has been reflected in all years in the weighted average share numbers shown in the consolidated statement of operations data below.

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### Selected Consolidated Financial Data (In thousands, except for per share and other data)

#### Years ended December 31

	1999	2000	2001	2002	2003
	(in thousands except per share data)				
<b>Statement of Operations Data – UK GAAP</b>					
Royalties	110	122	96	113	107
Total revenues from continuing operations	110	122	96	113	107
Operating expenses from continuing operations	(3,344)	(3,709)	(4,358)	(6,130)	(6,200)
Operating income/(loss) from continuing operations	(3,234)	(3,587)	(4,262)	(6,017)	(6,093)
Income/(loss) from continuing operations	(3,234)	(3,587)	(4,262)	(6,017)	(6,093)
Income/(loss) from discontinued operations	7,589	6,324	1,002	(31,030)	(13,131)
Net income/(loss)	4,355	2,737	(5,264)	(37,047)	(19,224)
Income/(loss) from continuing operations per Ordinary Share (basic)	(2.15)	(0.91)	(0.60)	(0.65)	(0.36)
Net income/(loss) per Ordinary Share (basic)	2.90	0.69	(0.74)	(3.98)	(1.12)
Net income/(loss) per Ordinary Share (diluted)	2.48	0.32	(0.74)	(3.98)	(1.12)
<b>Amounts in accordance with US GAAP</b>					
Operating income/(loss)	(7,122)	(1,498)	(3,230)	(28,571)	(25,841)
Net income/(loss)	4,070	(4,840)	(5,444)	(31,014)	(28,436)
Net income/(loss) per Ordinary Share (basic)	2.71	(1.22)	(0.76)	(3.34)	(1.66)
Net income/(loss) per Ordinary Share (diluted)	2.32	(1.22)	(0.76)	(3.34)	(1.66)
Weighted average shares (basic)	1,501	3,953	7,125	9,297	17,093
Weighted average shares (diluted)	1,754	8,609	12,035	11,896	17,440
<b>Consolidated balance sheet data</b>					
<b>Amounts in accordance with UK GAAP</b>					
Working capital	(7,956)	21,550	(13,400)	(19,306)	(39,125)
Total assets	33,629	57,155	100,597	97,438	47,377
Long term obligations	1,512	13,876	8,391	36,743	—
Capital stock (ordinary shares)	3,060	10,970	12,354	15,838	29,088
Total shareholders' equity/(deficit)	12,137	33,560	32,797	(6,208)	(6,348)
<b>Amounts in accordance with US GAAP</b>					
Working capital	(7,994)	19,992	(12,082)	(19,742)	(39,183)
Total assets	33,788	42,777	85,688	91,755	43,173
Long term obligations	1,519	9,645	6,559	39,388	—
Capital stock (ordinary shares)	3,075	10,177	11,139	15,838	29,088
Total shareholders' equity/(deficit)	12,194	25,963	25,090	(8,724)	(10,552)

### Exchange Rates

We changed our functional currency on January 1, 2003 to US dollars to reflect the fact that the majority of our transactions, assets and liabilities are denominated in that currency. Consequently, all data provided in this annual report is in US dollars for 2003 and comparative information for prior years has

been restated into US dollars. Under UK GAAP this restatement of all historical pound sterling amounts has been at an exchange rate of £1 to \$1.6099, being the mid point rate on December 31, 2002. Under US GAAP the historical pound sterling amounts have been restated using the weighted average rate for the income statement and applicable closing rate for the balance sheet, including in the table above.

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

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

<u>Fiscal Period</u>	<u>Average Noon Buying Rate</u> <u>(US dollars/ pound sterling)</u>
12 months ended December 31, 1999	1.6010
12 months ended December 31, 2000	1.5170
12 months ended December 31, 2001	1.4543
12 months ended December 31, 2002	1.5093
12 months ended December 31, 2003	1.6450

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

<u>Month</u>	<u>High Noon Buying Rate</u> <u>(US dollars/ pound sterling)</u>	<u>Low Noon Buying Rate</u> <u>(US dollars/ pound sterling)</u>
September 2003	1.5732	1.6642
October 2003	1.6598	1.7025
November 2003	1.6693	1.7219
December 2003	1.7200	1.7842
January 2004	1.7902	1.8511
February 2004	1.8182	1.9045

The noon buying rate as of March 24, 2004 was 1.8351 US dollars per pound sterling.

**B. Capitalization And Indebtedness**

Not applicable.

**C. Reasons For The Offer And Use Of Proceeds**

Not applicable.

**D. Risk Factors**

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

**We have a history of losses, and we may continue to generate losses in the foreseeable future.**

We have not been profitable in any of the last three fiscal years. For the fiscal years ended December 31, 2001, 2002 and 2003, we reported losses of approximately \$5.3, \$ 37.0 and \$ 20.9 million respectively under UK GAAP. Unless and until FDA marketing approval is obtained for our in-licensed product, LAX-101, or we are otherwise able to acquire rights to products that have received regulatory approval or are at an advanced stage of development and can be readily commercialized, we may not be able to generate revenues in future periods and we may not be able to return to profitability.

In February 2004 we divested a majority of our assets, and we currently have limited operations, assets and financial resources. As a result, we currently have no marketable products or other source of revenues for the near-term future. We have marketing and distribution rights for the U.S. to a single development stage product, LAX-101 and intend to acquire rights to additional products, which we anticipate may either be in the development stage or approved products. However, there is no assurance that we will be successful in acquiring any marketable products, or that LAX-101 or any other development stage products we may acquire will be approved by the FDA or regulatory authorities in other countries on a timely basis or at all. To the extent we undertake development efforts in-house, our business will be capital intensive. Therefore, we may incur expenses without corresponding revenues at least until we are able to obtain regulatory approval and sell our future products in large quantities. This may result in net operating losses, which will increase continuously until we can generate an acceptable level of revenues, which we may not ever attain. Further, even if we do achieve operating revenues, there can be no assurance that such revenues will be sufficient to repay our obligations or to fund continuing operations. Therefore we cannot predict whether we will ever be able to achieve profitability.

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

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

As a consequence of the divestiture of a majority of our business and assets during 2003 and early 2004, our financial results for 2003 and prior periods do not form an accurate basis upon which investors should base an assessment of our business and prospects. Prior to such divestiture, our revenues were generated primarily from the sale of in-licensed marketable products, the out-licensing of our proprietary technologies, and research and development work performed on a contract basis. All of these lines of business have been sold, and our current focus is on development efforts for LAX-101 and targeting new products for potential acquisition. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted.

**We may have to issue equity in Amarin leading to shareholder dilution.**

We are committed to issue equity to Laxdale Limited, which we may refer to in this annual report as “Laxdale”, upon the successful achievement of specified milestones for the LAX-101 development program. See Item 4 “Information on the Company — Business Overview — Our Huntington’s Disease Strategy — LAX-101.” We have also issued warrants to purchase 500,000 ordinary shares to Elan as part of our debt re-negotiation with Elan in February 2004. In pursuing our growth strategy it is probable that we will need to raise new finance and new equity or convertible equity or debt instruments may be issued to new or existing shareholders. The creation of new shares would lead to dilution of the current shareholder base.

**If we cannot find additional capital resources, we will have difficulty in sustaining and growing our business.**

We will need to raise additional capital to fund our long-term growth strategy of acquiring additional development stage and/or marketable products, recruiting clinical and regulatory personnel and growing our business. Depending on market conditions and our ability to ensure financial stability, we may not have access to additional capital on reasonable terms or at all. Any inability to obtain additional financing when needed would adversely affect our ability to sustain and to grow our business.

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

We are currently reliant upon the success of a single product, LAX-101. If development efforts for this product are not successful, or if adequate demand for this product is not generated should FDA approval be obtained, our business will be materially and adversely affected. Although we intend to acquire additional products, even if we are successful in doing so the range of products we will be able to commercialize will in all likelihood be limited, given our financial resources. This may limit our ability to respond to adverse business conditions. If we are not successful in developing LAX-101 or any future product, or if there is not adequate demand for any such product or the market for such product develops less rapidly than we anticipate, we may not have the capability to shift our resources to the development of alternative products. As a result, the limited range of products we intend to develop could limit our revenues and profitability.

**Our ability to generate revenues under our in-licensing agreements depends in part upon the financial condition of our licensors and the ability of our licensors to obtain regulatory approvals.**

We have entered into a license agreement with Laxdale that gives us the US marketing and distribution rights to LAX-101, a new molecular entity that is under investigation to treat Huntington’s disease. Laxdale is responsible for conducting, at its expense, all tests and clinical trials needed in order to meet regulatory requirements, for obtaining applicable regulatory approvals, and for prosecuting any patent applications with respect to this product. The costs of developing and obtaining regulatory approvals for pharmaceutical products can be substantial. On February 3, 2003, we announced our intention to work with Laxdale toward conducting an additional Phase III program to support a possible new drug application or “NDA” for LAX-101. This was determined after a meeting with the US Food and Drug Administration or “FDA” on January 29, 2003. The decision to conduct a further Phase III program is consistent with the approval process of new drug products for neurological diseases, and reflects the fact that statistical significance was not achieved in the entire study patient population in the first Phase III study. Our ability to commercialize this product is dependent upon the success of Laxdale’s further development efforts. If Laxdale is unable to maintain the financial and operational capability to complete its development efforts, we may not ever be able to generate revenues from the licensed product. In the event that Laxdale is unable to fund the Phase III program for LAX-101, we could not fund such Phase III program from our existing financial resources. We are dependent upon Laxdale having the financial and personnel resources necessary to fulfill its obligations to complete the clinical development and pursuit of approval of an NDA, if clinical study results warrant, and on the success of such development efforts. There can be no assurances that Laxdale, a small, closely held private company, will have the resources necessary to fulfill these obligations or that development success will otherwise be achieved. In addition, the Chairman of Laxdale, Dr. David Horrobin, one of its founders, died in April 2003.

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While we do not believe that Laxdale was wholly dependent on Dr. Horrobin for continued development progress of LAX-101, the impact of his death upon Laxdale remains uncertain at this time.

Our ability to derive any revenues under our licensing agreement with Laxdale for LAX-101 is subject to all of the risks associated with obtaining regulatory approvals, and as a licensee we have limited ability to control the outcome of the development process. Our licensors may not obtain regulatory approvals that are needed in order to market a new product, and the timing or scope of any approvals may prohibit or reduce our ability to commercialize a product successfully. For example, even if Laxdale obtains the necessary approvals for LAX-101, the approvals may take too long or the terms of the approvals may not have the scope or breadth needed for us to commercialize successfully products based on LAX-101.

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

Competition in the pharmaceutical industry is intense and is expected to increase. To the extent we are able to acquire or develop marketable products in the future, such products will compete with a variety of other products within the US, possibly including established drugs and major brand names. Competitive factors, including generic competition, could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to our future products. Products based on new technologies or new drugs could render our products obsolete or uneconomical.

Our potential competitors both in the US and Europe may include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies, and specialized drug delivery companies. In addition, we may compete with universities and other institutions involved in the development of technologies and products that may be competitive with ours. Many of our competitors will likely have greater resources than us, including financial, product development, marketing, personnel and other resources. Should a competitive product obtain marketing approval prior to LAX-101, this would significantly erode the projected revenue streams and anticipated first-to-market advantage for such product.

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

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

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

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

**We may not be able to grow our business unless we can acquire and market new products.**

We are pursuing a strategy of product acquisitions in order to generate growth. Although we intend to engage in proprietary research and development of new products, our capability to conduct these activities is limited. We must therefore rely on our ability to identify other companies that are willing to sell or license product lines to us. We will be competing for these products with other parties, many of whom have substantially greater financial, marketing and sales resources. Even if suitable products are available, depending on competitive conditions we may not be able to acquire rights to additional products on acceptable terms, or at all. Our inability to acquire additional products or successfully introduce new products could have a material adverse effect on our business. In addition, we may need to establish a sales and marketing force and incur additional expenses in anticipation of a new product introduction.

**The planned expansion of our business may strain our resources.**

Our strategy for growth includes potential acquisitions of new products for development and the introduction of these products to the market. Since we currently operate with limited resources, the addition of such new products could require a significant expansion of our operations, including the recruitment, hiring and training of additional personnel. In particular, we do not currently have personnel with a clinical or regulatory background and we will need to recruit such personnel to ensure projects run smoothly. This could create a strain on our financial and management resources. Our failure to recruit such personnel could have a material adverse effect on our business.

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

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

- the inability to manufacture sufficient quantities of qualified materials under current good manufacturing practices for use in clinical trials;
- slower than expected rates of patient recruitment;
- the inability to observe patients adequately after treatment;
- changes in regulatory requirements for clinical trials;
- the lack of effectiveness during clinical trials;
- unforeseen safety issues;
- delays, suspension, or termination of a trial due to the institutional review board responsible for overseeing the study at a particular study site; and
- government or regulatory delays or “clinical holds” requiring suspension or termination of a trial.

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

Any approvals that are obtained may be limited in scope, or may be accompanied by burdensome post-approval study or other requirements. 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.

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

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

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

Depending on the circumstances, failure to meet these post-approval requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts. In addition, even if we comply with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval.

Adverse regulatory action, whether pre- or post-approval, can potentially lead to product liability claims and increase our product liability exposure.

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

Subsequent to the end of the 2003 fiscal year, we sold our US subsidiary, API, and certain assets to Valeant Pharmaceuticals International ("Valeant"). The asset purchase agreement for the transaction provides for a purchase price adjustment based on variations between a pro forma balance sheet agreed between the parties and a closing date balance sheet to be prepared after the closing. Subsequent to the closing of the sale, one of API's wholesalers advised that it was holding approximately \$6 million of product inventory that it had not previously discovered. Valeant appear to be taking the position that the purchase price with respect to the sale should be reduced as a result of the discovery of such additional inventory. It is our view that the additional inventory should not impact the consideration payable to Amarin, whether as a result of a purchase price adjustment or otherwise. We cannot predict how this matter will be resolved. The Company intends to take all appropriate action to protect its interests in the event any claims should be asserted against it.

In connection with the sale of assets to Valeant and the sale of our Swedish subsidiary to Watson Pharmaceuticals, Inc., we provided a number of representations and warranties to Valeant and Watson regarding the respective businesses sold to them, and other matters, and we undertook to indemnify Valeant and Watson under certain circumstances for breaches of such representations and warranties. We are not aware of any circumstances which could reasonably be expected to give rise to an indemnification obligation under our agreements with either Valeant or Watson. However, we cannot predict whether matters may arise in the future which were not known to us and which, under the terms of the relevant agreements, could give rise to a claim against us.

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

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

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

Although we intend to make reasonable efforts to protect any future intellectual property rights and to ensure that any proprietary technology we acquire does not infringe the rights of other parties, we will 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 future products or technologies. In addition, third parties may be able to obtain patents that prevent the sale of our future products or require us to obtain a license and pay significant fees or royalties in order to continue selling such products.

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



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

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

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

We have entered into an employment agreement with our chief executive officer. The term of this agreement automatically renews on an annual basis, subject to each party's right to terminate upon six months' notice. Our officers and key employees, other than our chief executive officer, are not employed for any specified period and are not restricted from seeking employment elsewhere, subject only to giving appropriate notice to us.

**We are subject to continuing potential product liability.**

Although we have disposed of the majority of our products, we remain subject to the potential risk of product liability claims relating to the manufacturing and marketing of our former products during the period prior to their divestiture. Any person who is injured as a result of using one of our former products during our period of ownership may have a product liability claim against us without having to prove that we were at fault. The potential for liability exists despite the fact that our former subsidiary, Amarin Pharmaceuticals Inc. (API), conducted all sales and marketing activities with respect to such product. Although we have not retained any liabilities of API in this regard, as the one-time holder of ownership rights to such former products the Company could be subject to potential claims on a theory of strict liability. Since we distributed and sold our products to a wide number of end users, the risk of such claims could be material. Product liability claims could also be brought by persons who took part in clinical trials involving our former development stage products, including clinical trials of transdermal products and Zelapar carried out prior to the disposal of these products. A successful claim brought against us could have a material adverse effect on our business. We do not at present carry product liability insurance to cover any such risks and we are currently carrying out a risk analysis of the potential risks involved.

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

**If we do not maintain compliance with Nasdaq continued listing requirements, our ADSs may be delisted from the Nasdaq National Market.**

We have received a letter from the Nasdaq Stock Market Inc. indicating that Nasdaq are conducting a review of our eligibility for continued listing following the sale of assets to Valeant. In order for our common stock to continue to be quoted on the Nasdaq National Market, we have been asked to provide a plan for future operation and compliance with all continued listing requirements. At present we do not meet the requirement of maintaining stockholders' equity of at least \$10 million. We believe that our business plan provides a viable basis for achieving compliance. However, there is no assurance that Nasdaq will conclude that our plan adequately addresses their concerns. Moreover, even if we are successful in meeting the objective criteria for continued listing, Nasdaq has discretion to de-list securities based on public interest concerns. If our ordinary shares are de-listed from the Nasdaq National Market, we would seek to be listed either on the Nasdaq SmallCap Market or the Over-the Counter Bulletin Board. A delisting may negatively impact the value of our stock, since securities trading on the Nasdaq SmallCap Market or the over-the-counter markets are typically less liquid and trade with larger variations between the bid and ask price.

**The price of our ADSs may be volatile.**

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the

operating performance of particular companies. In addition, the market prices of the securities of many pharmaceutical and medical technology companies have been especially volatile in the past, and this trend is expected to continue in the future. Our ADSs are also subject to volatility as a result of the relatively limited size of their trading market. With approximately 17.4 million ADSs outstanding, 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 securities, either of which could result in price volatility. These factors increase the risk that the market price of our ADSs may be affected by factors such as:

- the announcement of new products or technologies;
- innovation by us or our future competitors;
- developments or disputes concerning any future patent or proprietary rights;
- actual or potential medical results relating to our products or our competitors' products;
- interim failures or setbacks in product development;

- regulatory developments in the US, the European Union or other countries;
- currency exchange rate fluctuations; and
- period-to-period variations in our results of operations.

**The rights of our shareholders may differ from the rights typically afforded to shareholders of a US 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 UK Companies Act 1985, as amended by the UK Companies Act 1989, and by our memorandum and articles of association. These rights differ in certain respects from the rights of shareholders in typical US corporations. See Item 10 “Additional Information — Memorandum and Articles of Association.” The principal differences include the following:

- Under English law, each shareholder present at a meeting has only one vote unless a valid demand is made for a vote on a poll, in which each holder gets one vote per share owned. Under US 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 the depositary bank. See Item 10 “Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Voting Rights.”
- Under English law, each shareholder generally has pre-emptive rights to subscribe on a proportionate basis to any issuance of shares. Under US law shareholders generally do not have pre-emptive rights unless specifically granted in the certificate of incorporation or otherwise. See Item 10 “Additional Information — Memorandum and Articles of Association — Pre-emptive Rights.”
- Under English law, certain matters require the approval of 75% of the shareholders, including amendments to the memorandum and articles of association. This may make it more difficult for us to complete corporate transactions deemed advisable by the board of directors. Under US law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions. See Item 10 “Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Voting Rights.”
- Under English law, shareholders may be required to disclose information regarding their equity interests upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares including prohibitions on the transfer of the shares as well as restrictions on dividends and other payments. Comparable provisions generally do not exist under US law. See Item 10 “Additional Information — Memorandum and Articles of Association — Disclosure of Interests.”

**US shareholders may not be able to enforce civil liabilities against us.**

A number of our directors and executive officers are non-residents of the US, and all or a substantial portion of the assets of such persons are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon such persons or to enforce against them judgments obtained in US courts predicated upon the civil liability provisions of the

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federal securities laws of the US. 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 US courts, of civil liabilities to the extent predicated upon the federal securities laws of the US.

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

We record our transactions and prepare our financial statements in US dollars. See Item 3A- “Selected Financial Data-General-Exchange Rates”. Since our future strategy involves the development of products for the US market, we anticipate that the majority of our revenues and expenditures will be denominated in US dollars. However, certain of our costs are denominated in pounds sterling as a result of our having operations based in the United Kingdom. For purposes of preparing our financial statements, we translate pound sterling transactions and balances into US dollars. As a consequence, the results reported in our financial statements are potentially subject to the impact of currency fluctuations between the US dollar and pound sterling. We believe this risk is not currently material since we are focused on development activities and do not anticipate generating revenues in the short-term future. Accordingly, we do not engage in currency hedging activities in order to restrict the risk of exchange rate fluctuations. However, if we should commence commercializing any products in the US, changes in the relation of the US dollar to the pound sterling may affect our revenues and operating margins. In general, we could incur losses if the US dollar should become devalued relative to the pound sterling.

**Holders of our Ordinary Shares or ADSs who are US residents may face adverse tax consequences.**

There is a risk that we will be classified as a passive foreign investment company, or PFIC. Our treatment as a PFIC could result in a reduction in the after-tax return to the holders of our Ordinary Shares or ADSs and would likely cause a reduction in the value of such shares. For US federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, passive income includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. Because we will receive interest income and may receive royalties, there is a risk that we will be declared a PFIC under the income test described above. In addition, as a result of our cash position, there is a risk under the asset test described above that we will be declared a PFIC in the event the price of our Ordinary Shares declines substantially. If we were determined to be a PFIC for US federal income tax purposes, highly complex rules would apply to US Holders owning Ordinary Shares. Accordingly, you are urged to consult your tax advisors regarding the application of such rules. However, because the determination of whether we are a PFIC is based upon the composition of our income and assets from time to time, this determination cannot be made with certainty until the end of the calendar year.

US residents should carefully read Item 10 — “Additional Information — Taxation — Certain US Federal Income Tax Considerations” for a more complete discussion of the US federal income tax risks related to owning and disposing of our Ordinary Shares or ADSs.

## Item 4 Information on the Company

### A. History and Development of the Company

Amarin Corporation plc (formerly Ethical Holdings plc) was incorporated in England as a private limited company on March 1, 1989 under the UK Companies Act 1985 and re-registered in England as a public limited company on March 19, 1993. Our registered office and our principal executive offices are located at 7 Curzon Street, London W1J 5HG, England, and our telephone number is +44-20-7499-9009.

We entered into license agreements in late 2000 and early 2001 which provided us with pipeline products that began our strategic focus in neurology and pain management. We signed our license agreement in November 2000 with Laxdale and acquired an exclusive license to the US marketing and distribution rights for LAX-101 in Huntington's disease and certain other niche neurodegenerative diseases.

On January 27, 2003 we completed a private placement of 6,093,728 Ordinary Shares raising gross proceeds of approximately \$21.2 million. The private placement was made primarily to accredited investors in the US. We entered into a registration rights agreement with these investors and Elan (as part of a pre-existing contractual obligation) under which we agreed to prepare and file (at our expense) a registration statement with the SEC covering the Ordinary Shares purchased in the private placement and 4,653,819 Ordinary Shares and ADSs held by Elan. A Form F-3 registration statement was filed with the SEC on behalf of the private placement investors and Elan, and became effective August 14, 2003. Pursuant to the registration rights agreement we included for registration warrants to acquire 313,234 Ordinary Shares to individuals designated by the placement agent that assisted us in the private placement. The warrants are exercisable at a price of US\$3.4785 per share between January 27, 2004 and January 26, 2008.

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An aggregate of 11,060,791 ordinary shares, including ordinary shares held as ADSs and shares issuable upon exercise of warrants issued in the offering, were registered under the registration statement filed in connection with the January 2003 private placement.

During 2003 our debt obligations, and in particular our short term debt obligations, to Elan led to our seeking a number of renegotiations, reductions and extensions of the Elan debt to provide us with sufficient time to realize assets in an orderly fashion to meet payments to Elan and to minimize the impact on shareholder value.

As part of the restructuring of certain of our obligations to Elan in January 2003, we undertook to use our commercial best efforts to sell all or substantially all of the Phrenilin, Bontril and Motofen lines of products together with certain other branded generic drugs (collectively, the "primary care portfolio") and/or Amarin Development AB, our Swedish research and development subsidiary, for upfront cash consideration for a reasonable sum and as expeditiously as reasonably practicable, and to apply the proceeds, if any, from these asset disposals to reduce our payment obligations to Elan, with any remaining proceeds used to fund our core business.

In August 2003, we agreed with Elan as part of a comprehensive settlement of our debt obligations to Elan:

- to pay \$30 million in cash no later than December 31, 2003;
- to pay \$10 million in equity when Zelapar annual sales reach \$20 million;
- to continue to pay a 12.5% royalty on future sales of Zelapar.

In consideration for the foregoing, Elan agreed to:

- a moratorium on debt and interest payments until December 31, 2003;
- full and final settlement of all debt and deferred payments due to Elan (the then-current amount of which was \$46.5 million); and
- elimination of existing option and milestone payments relating to Zelapar.

In October 2003 we sold Gacell Holdings AB, the Swedish holding company of Amarin Development AB (ADAB), our Swedish drug development subsidiary, to Watson Pharmaceuticals, Inc. Under the terms of the sale agreement Watson agreed to pay us approximately \$15 million in cash for the purchase of the stock of ADAB and to settle inter-company debts owed by ADAB to Amarin. Of the \$15 million purchase price, \$1.5 million was placed into an escrow account to be released in stages, with one-half payable upon the agreement of a completion balance sheet, one quarter payable six months from the date of closing and the balance on the first anniversary of the date of closing, subject to any claims being made by Watson against us in respect of any breach of warranty or representation. We applied ninety percent of the net sale proceeds of ADAB toward repayment of part of our financial obligations to Elan. At this we had reached an agreement in-principle with Elan that, if a \$30 million minimum payment was not made by December 31st, 2003 the deadline for debt repayment would be extended to March 31st, 2004 in consideration of the payment to Elan of interest (calculated at 1% per month on the outstanding balance) and a one-off payment to Elan of \$1.5 million. We also retained the right to draw down from Elan a further \$2 million per month for the first three months of 2004 in order to fund our operating deficit through the first quarter of 2004. Draw down of these funds was subject to our demonstrating to Elan's satisfaction that we had a reasonable prospect of consummating a transaction to settle the Elan debt by March 31st, 2004.

In February 2004 we sold our U.S.-based subsidiary, Amarin Pharmaceuticals, Inc. and a majority of our U.S. products for a purchase price of approximately \$46 million, including \$8 million in milestone payments, to Valeant Pharmaceuticals International ("Valeant"). In addition, Valeant assumed certain other outstanding liabilities, including Amarin's obligation to make a milestone payment to Elan of \$10 million, if sales of Zelapar reach a certain level. Under the terms of the transaction, Valeant made an initial payment of \$38 million to us for our interest in Amarin Pharmaceuticals Inc. along with the rights to Amarin's product portfolio, which included Permax®, a product indicated for the adjunct treatment of Parkinson's disease; a primary care product portfolio with a broad range of indications and Zelapar™, an in-licensed, late-stage development product for the adjunct treatment of Parkinson's disease, which has received an approvable letter from the Food & Drug Administration (FDA). The agreement calls for Valeant to make a milestone payment to the Company of \$3 million following the successful completion of the previously announced Zelapar clinical safety studies, and a further milestone of \$5 million upon final approval of the Zelapar NDA by the FDA. We retained responsibility for certain activities during a transition period post closing of the transaction, including the supervision of the Zelapar clinical safety studies and inventory management among other obligations. We are also responsible for funding costs and liabilities relating to these activities totalling \$13 million at closing, rising by a further \$0.4 million if the Zelapar safety studies are successful. The purchase price under the agreement with Valeant is subject to adjustment to the extent there is any variation between the balance sheet of Amarin Pharmaceuticals Inc. as of the closing date and a pro-forma balance sheet of such company that was prepared and agreed by the parties prior to closing.

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Simultaneously with the sale to Valeant we reached a full and final agreement with Elan regarding the settlement of our renegotiated outstanding financial obligations. Under the terms of this agreement with Elan the amount (\$24.4 million) then required to discharge our obligations to Elan was amended so that we would pay Elan approximately \$17.2 million in cash on closing of the Valeant transaction, plus a further payment of \$1 million on the successful completion of the Zelapar safety trials to discharge these obligations.

We also agreed to issue a \$5 million 5-year loan note to Elan with capital repayment as follows:

- \$1.5 million in January 2006
- \$1.5 million in July 2007
- \$2 million in January 2009

At Elan's option, the loan note can be repaid from proceeds Amarin receives from a \$5 million milestone payable by Valeant Pharmaceuticals International on the NDA approval of Zelapar. The loan note is also prepayable by us at any time, subject to a prepayment fee of \$250,000, and carries an interest rate of 8% per annum.

Additionally we agreed to issue 500,000 warrants to Elan priced at the average market closing price for our Ordinary Shares for the 30-day period prior to closing. As a result, Elan's fully diluted ownership in Amarin increased from 25.9% to 28.0%.

We closed the Valeant transaction on February 25, 2004. From the proceeds of this sale we made a payment to Elan of approximately \$17.2 million in partial payment of outstanding indebtedness and entered into the various agreements and instruments set out above.

As a result of the asset sale to Valeant, we realized net proceeds of approximately \$6 million after accounting for financial obligations to Valeant in connection with the sale transaction, payments to Elan in connection with the debt settlement, and professional fees and other third party costs relating to the transaction.

As a result of our various renegotiations with Elan in 2003 and 2004 we have paid \$50.8 million to Elan and have had the benefit of a restructuring of approximately \$66.2 million in debt, deferred consideration obligations and contingent milestone payments which would otherwise have potentially have been payable. The following table sets out the movement in our debt, deferred consideration and milestone obligations to Elan at the commencement of the year and as at 26<sup>th</sup> February 2004:

	<u>Total Debt \$m</u>	<u>Deferred Consideration \$m</u>	<u>Total Milestones \$m</u>	<u>Total \$m</u>
<b>January 1<sup>st</sup> '03:</b>	<b>49.0</b>	<b>27.5</b>	<b>52.5</b>	<b>129.0</b>
<b>Entire period:</b>				
Paid	(34.7)	(16.1)	—	(50.8)
Received	4.0	—	—	4.0
Restructured	(13.3)	(11.4)	(41.5)	(66.2)
Assigned obligation	—	—	(10.0)	(10.0)
<b>February 26<sup>th</sup> 2004</b>	<b>5.0</b>	<b>—</b>	<b>1.0</b>	<b>6.0</b>

Our principal capital expenditures during the last three fiscal years consisted of the purchase of distribution rights to Permax from Elan for \$47.5 million in 2001, and the acquisition of additional rights to Permax from Elan in consideration of \$10 million in 2002 and \$16.1 million in 2003. We do not currently have any capital expenditures in progress.

## B. Business Overview

### General

Amarin Corporation is now an emerging drug development company focused on the clinical development, regulatory approval & ultimate commercialization of neuroscience drugs. We intend to develop drugs to treat the symptoms of Huntington's and other niche neurological diseases.

Our strategy is to acquire, in-license and develop drug candidates which address major unmet medical needs which can be rapidly commercialized. Our management team will oversee the clinical trials necessary to progress compounds through the development and regulatory approval process. In certain circumstances, we will seek partnerships with pharmaceutical and biotechnology companies for late stage development and marketing of our product candidates. We currently have one product candidate which is in Phase III human clinical testing. This candidate, LAX-101 is described below.

### Our Huntington's Disease Strategy

#### LAX-101 (ethyl-eicosapentaenoate)

In November 2000, we entered into a license agreement giving us the exclusive US rights to market and distribute LAX-101 within a defined field of use including Huntington's disease and other niche neurological conditions. LAX-101 is a novel and proprietary treatment under investigation for Huntington's disease, a progressive, fatal neurodegenerative disease for which there is currently no approved treatment in the US. Laxdale is responsible for obtaining all regulatory approvals required for the use of this product in the US, and has agreed to source all raw materials needed for the manufacture of finished product. We also have a right of first negotiation with Laxdale for the development of LAX-101 in the US outside the defined field of use. Upon the commercialization of LAX-101, we must meet and maintain specified levels of US product sales in order to retain our exclusive rights. The license fees to Laxdale consist of both up-front and contingent payments of cash and our Ordinary Shares. We acquired our rights for a cash payment of US\$1 million and the issuance of 650,797 Ordinary Shares representing 5% of our fully diluted issued share capital at that time. We are obligated to issue additional Ordinary Shares and make royalty payments on future sales of LAX-101, subject to the achievement of milestones specified in the license agreement.

We announced positive results for two separate Phase II studies for LAX-101 that were published in the January 21, 2002 issue of *NeuroReport*, a peer-reviewed neurology journal. Following the positive results in these two separate Phase II studies, Laxdale began a Phase III double-blind placebo-controlled study in 2001 and patient treatment was completed in July 2002. On October 28, 2002 we announced encouraging preliminary results of that Phase III study. On February 3, 2003 we announced our intention to work with Laxdale toward conducting an additional Phase III program to support an NDA for LAX-101. This decision was made following a meeting with the FDA on January 29, 2003. The decision to conduct a further Phase III program is consistent with the approval process of new drug products for neurological diseases, and reflects the fact that statistical significance was not achieved in the entire study patient population in the first Phase III study. We were encouraged by the results of our previously announced Phase III trial and look forward to working with Laxdale to finalize the protocol with the FDA for our further Phase III program. We are dependent upon Laxdale having the financial and personnel resources necessary to fulfill its obligations to complete the clinical development and pursuit of approval of an NDA, if clinical study results warrant, and on the success of such development efforts. There can be no assurances that Laxdale, a small, closely held private company, will have the resources necessary to fulfill these obligations or that development success will otherwise be achieved. In addition, the Chairman of Laxdale, Dr. David Horrobin, one of Laxdale's founders, passed away in April 2003. While we do not believe that Laxdale was wholly dependent on Dr. Horrobin for continued development progress of LAX-101, the impact of his death upon Laxdale remains uncertain at this time.

LAX-101 has been granted fast track designation by the FDA and has received orphan drug designation in the US and Europe. Fast track drugs are potentially eligible for expedited review. Orphan drugs are those that treat rare diseases or conditions, and in the US are eligible to receive special exclusivity and certain tax credits. However, orphan drug exclusivity does not bar competitors from developing other active molecules. In addition, the same molecule can be separately developed and approved within such special exclusivity period for the same indication if shown to be clinically superior or under other circumstances. Orphan drug status does not confer patent rights upon the holder, nor does it provide an exemption from claims of infringement of patents which may be held by third parties. Laxdale is pursuing a patent strategy for LAX-101 which it believes will provide significant protection for the product.

There can, however, be no assurances that a competitive product will not be approved by the FDA, that any patents will be granted, or, if granted, that patents will ultimately be upheld if challenged. Fast track status generally represents the FDA's commitment to provide a six-month review period for a filed NDA, which is faster than the typical review period for most non-fast track drugs. Fast track status does not however guarantee a specific review time or a pre-determined outcome.

Internal projections for LAX-101 indicate significant market potential with 30,000 Huntington's patients currently without available treatment. We anticipate LAX-101 could be marketed in late 2006. According to external industry analysts' reports, at an anticipated cost per patient of \$7,500 per year, and a market share of just 25% of this 30,000 patient market, LAX-101 would be a \$56 million product at the retail level, and probably a \$40 million product for Amarin. Internal estimates are even higher, because of the lack of any alternative treatments for this severe and fatal disease.

These external analysts concur with this point of view, commenting that since there presently is no effective treatment for this disease, the anticipated 25% penetration could prove conservative, and it is also possible that neurologists will prescribe LAX-101 prophylactically for people considered, for genetic reasons, to be at high risk of contracting this condition.

#### *The Financial Year*

Through the year ended December 31, 2003, we had commercial sales and marketing operations in the US through our API subsidiary and drug delivery and contract development activities through our Swedish subsidiary ADAB. On October 28, 2003 we sold ADAB to Watson Pharmaceuticals, Inc. and on February 25, 2004 we sold API, together with all rights to our marketed products and Zelapar.

Following the disposal of these businesses, we have rationalized our operations to position ourselves as a pharmaceutical development company focused on neurology with operations in the UK.

Our consolidated revenues in 2003 were derived from four principal sources. For the year ended December 31, 2003, sales of our products through our own sales and marketing operations accounted for approximately 36% of total revenues; licensing and development fees accounted for approximately 24 % of total revenues; contract manufacturing fees accounted for approximately 20% of total revenues; and royalties on third party product sales accounted for approximately 20 % of total revenues. Although some of the products marketed in the US showed seasonal market trends, our consolidated group did not experience any material revenue seasonality.

Broken down by geographic markets, for the year ended December 31, 2003 approximately 36% of total consolidated revenues were generated in the US, representing sales of our pharmaceutical products; approximately 1% of total consolidated revenues were generated in the UK, representing our royalty income; and approximately 63% of total consolidated revenues were generated in the European market, representing our drug delivery and contract manufacture business.

#### **Competition**

In pursuing our strategy of acquiring marketable and/or development stage neurology products, we expect to compete with other pharmaceutical companies for product and product line acquisitions, and more broadly for the distribution and marketing of pharmaceutical and consumer products. These anticipated competitors include companies which may also seek to acquire branded or development stage pharmaceutical products and product lines from other pharmaceutical companies. Most of our potential competitors will likely possess substantially greater financial, technical, marketing and other resources. In addition, we will compete for supplier manufacturing capacity with other companies, including those whose products are competitive with ours. Additionally, our future products may be subject to competition from products with similar qualities. See Item 3 "Key Information — Risk Factors — Our future products may not be able to compete effectively against those of our competitors."

#### **Government Regulation**

Any product development activities relative to LAX-101 or products that we may acquire in the future will be subject to extensive regulation by various government authorities, including the FDA and comparable regulatory authorities in other countries, which regulate the design, research, clinical and non-clinical development, testing, manufacturing, storage, distribution, import, export, labelling, advertising and marketing of pharmaceutical products and devices. Generally, before a new drug can be sold, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format

the pre-clinical development stage generally involves synthesizing the active component, developing the formulation and determining the manufacturing process, as well as carrying out toxicology, pharmacology and drug metabolism studies which support subsequent clinical testing. Good laboratory practice requirements must be followed in order for the resulting data to be considered valid and reliable. For established molecules this stage can be limited to formulation and manufacturing process development and in vitro studies to support subsequent clinical evaluation.

The clinical stage of development can generally be divided into Phase I, Phase II and Phase III clinical trials. In Phase I, a small number of healthy human volunteers are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these studies is to assess the pharmacokinetic profile, tolerability and safety of the drug. Large volunteer studies are also undertaken to define the pharmacokinetic performance (the way in which the body deals with the compound from absorption, to distribution in tissues, to elimination) as an integral part of the pivotal regulatory program.

Phase II trials typically involve the first studies in disease-affected patients to determine the dose required to produce the desired benefits. At the same time, safety and further pharmacodynamic information is collected. Phase III trials generally involve large numbers of patients from a number of different sites, which may be in one country or in several different countries or continents. Such trials provide information on the safety as well as the efficacy of a new product and include comparisons with placebo and/or other comparator treatments. The duration of treatment is often extended to mimic the actual use of a product during marketing.

In order for human clinical studies of a new drug to commence in the United States, an investigational new drug application, or IND, is filed with the FDA. Similar notifications are required in other countries. The amount of data that must be supplied in the IND application depends on the phase of the study, earlier investigations such as Phase I studies requiring less data than the larger and longer-term studies in Phase III. A clinical plan must be submitted to the FDA prior to commencement of a clinical trial. In general, studies may begin in the US without specific approval by the FDA after a 30-day review period has passed. However, the FDA may prevent studies from moving forward, and may suspend or terminate studies once initiated. Regular reporting of progress is required in annual reports submitted during the clinical testing phase and any adverse effects reported to us must be notified to the authority. During the testing procedure, meetings can be held with the FDA to discuss progress and future requirements for the NDA. Studies are also subject to review by independent institutional review boards responsible for overseeing studies at particular sites and protecting human research study subjects. An independent institutional review board may prevent a study from beginning or suspend or terminate a study once initiated. Studies must also be conducted and monitored in accordance with good clinical practice and other requirements.

Following the completion of clinical trials, the data must be thoroughly analyzed to determine if the clinical trials successfully demonstrate safety and efficacy. If they do, an NDA is filed with the FDA along with proposed labelling for the product and information about the manufacturing processes and facilities that will be used to ensure product quality. In the US, FDA approval of an NDA must be obtained before marketing a developed product. The NDA must contain proof of safety, purity, potency and efficacy, which entails extensive pre-clinical and clinical testing.

Although the type of testing and studies required by the FDA do not differ significantly from those of other countries, the amount of detail required by the FDA can be more extensive. In addition, it is likely that the FDA will re-analyse the clinical data, which could result in extensive discussions between us and the licensing authority during the review process. The processing of applications by the FDA is extensive and time consuming and may take several years to complete. The FDA has committed generally to review and make a recommendation for approval of a new drug within ten months, and of a new "priority" drug within six months, although final FDA action on the NDA can take substantially longer and may involve review and recommendations by an independent FDA advisory committee. The FDA may conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with current good manufacturing practice requirements.

There is no assurance that the FDA will act favourably or quickly in making such reviews and significant difficulties or costs may be encountered by a company in its efforts to obtain FDA approvals. The FDA may also require post-marketing testing and surveillance to monitor the effects of approved products or it may place conditions on approvals that could restrict the commercial application of products. Product approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur following initial marketing.

In the European Union, our future products may also be subject to extensive regulatory requirements. As in the US, the marketing of medicinal products has for many years been subject to the granting of marketing authorizations by regulatory agencies. Particular emphasis is also being placed on more sophisticated and faster procedures for reporting of adverse events to the competent authorities.

In common with the US, the various phases of pre-clinical and clinical research are subject to significant regulatory controls. Although the regulatory controls on clinical research are currently undergoing a harmonization process following the adoption of the Clinical Trials Directive 2001/20/EC, there are currently significant variations in the member state regimes. However, all member states currently require independent institutional review board approval of interventional clinical trials. With the exception of UK Phase 1 studies in healthy volunteers, all clinical trials require either prior governmental notification or approval. Most regulators also require the submission of adverse event reports during a study and a copy of the final study report.

In the European Union, approval of new medicinal products can be obtained only through one of two processes. The first such process is known as the mutual recognition procedure. An applicant submits an application in one European Union member state, known as the reference member state. Once the reference member state has granted the marketing authorization, the applicant may choose to submit applications in other concerned member states, requesting them to mutually recognize the marketing authorizations already granted. Under this mutual recognition process, authorities in other concerned member states have 55 days to raise objections, which must then be resolved by discussions among the concerned member states, the reference member state and the applicant within 90 days of the commencement of the mutual recognition procedure. If any disagreement remains, all considerations by authorities in the concerned member states are suspended and the disagreement is resolved through an arbitration process. The mutual recognition process results in separate national marketing authorizations in the reference member state and each concerned member state.

The second procedure in the European Union for obtaining approval of new medicinal products is known as the centralized procedure. This procedure is currently mandatory for products developed by means of a biotechnological process and optional for new active substances and other “innovative medicinal products with novel characteristics.” Under this procedure, an application is submitted to the European Agency for the Evaluation of Medicinal Products. Two European Union member states are appointed to conduct an initial evaluation of each application. These countries each prepare an assessment report, which reports are then used as the basis of a scientific opinion of the Committee on Proprietary Medical Products. If this opinion is favourable, it is sent to the European Commission which drafts a decision. After consulting with the member states, the European Commission adopts a decision and grants a marketing authorization, which is valid throughout the European Union and confers the same rights and obligations in each of the member states as a marketing authorization granted by that member state.

The European Union is currently expanding, with a number of Eastern European countries expected to join over the coming years. Several other European countries outside the European Union, particularly those intending to accede to the Union, accept European Union review and approval as a basis for their own national approval.

Following approval of a new product, a pharmaceutical company generally must engage in various monitoring activities and continue to submit periodic and other reports to the applicable regulatory agencies, including any cases of adverse events and appropriate quality control records. Modifications or enhancements to the products or labelling, or changes of site of manufacture are often subject to the approval of the FDA and other regulators, which may or may not be received or may result in a lengthy review process.

Drug advertising and promotion is subject to federal, state and foreign regulations. In the US, the FDA regulates all company and product promotion, including direct-to-consumer advertising. Promotional materials must be submitted to the FDA. Materials in violation may lead to an FDA enforcement action. Any distribution of pharmaceutical samples to physicians must comply with the US Prescription Drug Marketing Act, or the PDMA, a part of the US Federal Food, Drug, and Cosmetic Act.

In the US, once a product is approved its manufacture is subject to comprehensive and continuing regulation by the FDA. The FDA regulations require that products be manufactured in specific approved facilities and in accordance with current good manufacturing practices, and NDA holders must list their products and register their manufacturing establishments with the FDA. These regulations also impose certain organizational, procedural and documentation requirements with respect to manufacturing and quality assurance activities. Contract manufacturers are subject to inspections at any time that could interrupt the manufacturing operation if any facilities are found to be operating in an unsatisfactory manner.

The distribution of pharmaceutical products is subject to additional requirements under the PDMA and equivalent laws and regulations in other jurisdictions. Under the PDMA and its implementing regulations, states are permitted to require registration of distributors who provide products within their state despite having no place of business within the state. The PDMA also imposes extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products and other drug diversions.

Manufacturing, sales, promotion, and other activities following product approval are also subject to regulation by numerous

regulatory authorities in addition to the FDA, including, in the US, the Centers for Medicare & Medicaid Services, other divisions of the Department of Health and Human Services, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, and state and local governments. Sales, marketing and scientific/educational programs must comply with the US Medicare-Medicaid Anti-Fraud and Abuse Act and similar state laws. Pricing and rebate programs must comply with the Medicaid rebate requirements of the US Omnibus Budget Reconciliation Act of 1990. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. The handling of any controlled substances must comply with the US Controlled Substances Act. Products must meet applicable child-resistant packaging requirements under the US Poison Prevention Packaging Act. Manufacturing, sales, promotion and other activities are also potentially subject to federal and state consumer protection and unfair competition laws.

The failure to comply with regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory 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 a firm to enter into supply contracts, including government contracts. In addition, even if a firm complies 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. Prohibitions or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Changes in regulations or statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example:

- changes to our manufacturing arrangements;
- additions or modifications to product labelling;
- the recall or discontinuation of our products; or
- additional record-keeping.

If any such changes were to be imposed, they could adversely affect the operation of our business.

Some of our future pharmaceutical products may be sold over-the-counter. Any such products would be subject to FDA regulations known as over-the-counter monographs, which specify conditions under which over-the-counter products may be sold without a separately approved NDA, including permitted active ingredients and labelling information. These monographs are subject to revision, and changes in these monographs could impact our marketing efforts with respect to any potential over-the-counter products, render our products unlawful for commercial sale or cause their removal from the marketplace or cause us to spend substantial funds for reformulation activities.

Laxdale are currently responsible for the supply of the clinical supplies of LAX-101 and will, pursuant to our license agreement, be responsible for the commercial manufacturing and supply of LAX-101 should the FDA approve LAX-101.

### Patents and Proprietary Technology

We firmly believe that patent protection of our technologies, processes and products is important to our future operations. The success of our products may depend, in part, upon our ability to obtain strong patent protection. There can however be no assurance that:

- any patents will be issued for LAX-101 or any future products in any or all appropriate jurisdictions;
- any patents that we or our licensees may obtain will not be successfully challenged in the future;
- our technologies, processes or products will not infringe upon the patents of third parties; or
- the scope and validity of any patents will prevent third parties from developing similar products.

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When deemed appropriate, we intend to vigorously enforce our patent protection and intellectual property rights.

Our strategy is to file patent applications where we think it is appropriate to protect and preserve the proprietary technology and inventions considered significant to our business. We will also rely upon trade secrets and know-how to retain our competitive position. We will file patent applications either on a country-by-country basis or by using the European or international patent cooperation treaty systems. The existence of a patent in a country may provide competitive advantages to us when seeking licensees in that country. In general, patents granted in most European countries have a twenty-year term, although in certain circumstances the term can be extended by supplementary protection certificates. 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, it is possible that those parties will obtain patents that will be sufficiently broad so as to prevent us from utilizing such technology. In addition, we may use unpatented proprietary technology, in which case there would be no assurance that others would not develop similar technology. See Item 3 “Key Information — Risk Factors — We will be dependent on patents, proprietary rights and confidentiality.”

### C. Organizational Structure

Following the sale of Gacell Holdings AB and its wholly owner subsidiary Amarin Development AB on October 28, 2003 and the sale of API on February 25, 2004, all of our commercial activities are carried out through Amarin Corporation plc.

Details of all of our significant subsidiaries are summarised below:

Subsidiary Name	Country of Incorporation or Registration	Proportion of Ownership Interest and Voting Power Held
Amarin Pharmaceuticals Company Limited	England	100%

### D. Property, Plant and Equipment

The following table lists the location, use and ownership interest of our principal properties as of March 24, 2004:

Location	Use	Ownership	Size (sq. ft.)
Ely, Cambridgeshire, England			
Ground Floor	Offices	Leased and sub-let	7,135
First Floor	Offices	Leased and sub-let	2,800
Godmanchester, Cambridgeshire, England	Offices	Leased and sub-let	7,000
Mill Valley, California, US	Offices	Leased	9,585
London, UK	Offices	Leased	2,830

We vacated the premises in Ely , Cambridgeshire in July 2001 and have sub-let the lease for this space. We have sub-let the lease in Godmanchester to Phytopharm PLC who occupy the premises on a “held over” basis under the terms of a lease, the term of which expired in January 2002.

On April 27, 2001, we signed a lease covering 2,830 square feet of office space located at 7 Curzon Street, London, Mayfair, W1J 5HG, England, to serve as our corporate head office. All UK personnel are based at these premises. This lease expires in March 2010.

We believe that our facilities are sufficient to meet our current and immediate future requirements.

Following the sale of API, on February 25, 2004, we have retained the lease of the Mill Valley, California, US offices. The purchaser of API, Valeant Pharmaceuticals International, will fund the rent of these premises through to August 25, 2004 during which time we will seek to assign or sub-let this space or seek a termination of the lease in consideration of a lump sum payment to the landlord. Additionally, under the terms of the asset purchase agreement Valeant has assumed responsibility for the lease of the New Jersey premises disclosed in our previous annual report.

We have no manufacturing capacity at any of the above properties.

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## Item 5 Operating and Financial Review and Prospects

### A. Operating Results

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

#### *Comparison of Fiscal Years Ended December 31, 2003 and December 31, 2002*

##### *Overview*

In 2003 we saw strong competition to our leading product Permax from both other dopamine agonists and generic competition that entered the market in December 2002. In addition, as disclosed in our annual report on Form 20-F for the year ended December 31, 2002, we ended 2002 with high wholesaler inventory levels for all of our US products and experienced low revenues during 2003 as in-market inventory levels at the end of 2003 have declined. These factors resulted in significant losses in 2003 and significant net cash outflow.

This deterioration in our trading during 2003 meant that we were unable to generate sufficient cash flows from operations to meet our debt obligations. To address our debt obligations we have divested most of our operations through two transactions, one in 2003 and the other shortly after the year-end. The first of these transactions was the sale of Amarin Development AB (“ADAB”) on October 28, 2003. The second was the sale of Amarin Pharmaceuticals Inc. together with our rights to Permax, our primary care portfolio and the development product Zelapar (these divested assets are collectively referred to in this Item 5 “Operating and Financial Review and Prospects” as “API”) on February 25<sup>th</sup>, 2004.

In accordance with UK GAAP, the results of both businesses divested have been shown as discontinued for 2003 and for the comparative years ended December 31, 2002 and 2001.

##### *Revenue*

After the disposals of ADAB and API, our remaining business comprises a corporate head office and US rights to LAX-101 which is under development by Laxdale Limited for Huntington’s Disease. Our remaining Revenues are negligible in 2003 being just \$0.1 million and comprise royalties on historical licensing activities in line with the prior years.

##### *Operating Expenses*

Total operating expenses for the continuing business were \$6.2 million compared to \$6.1 million in 2002, an increase of 2%, and comprised selling, general and administrative expenses of \$5.6 million and amortization of product rights of \$0.6 million.

##### *Interest Income and Interest Expense*

Net interest expense for 2003 was \$0.8 million compared to \$2.0 million for 2002. The 2003 net charge comprises Interest Income of \$0.1 million (compared to \$0.4 million in 2002), which was entirely earned from cash balances held on deposit, and Interest Expense of \$0.9 million (compared to \$2.4 million in 2002). The Interest Expense arises on the \$25 million interest bearing loan from Elan which is explained in more detail below in “— Liquidity and Capital Resources.” The 2002 comparative included a provision of \$0.5 million for interest on a capital gains tax liability in relation to the disposal of assets in a discontinued business in 1999. The reduction in Net Interest Expense is primarily due to lower average interest bearing debt during 2003 compared to 2002 following the January 2003 \$17.5 million partial loan repayment to Elan.

##### *Discontinued Operations*

As explained above, discontinued operations include the results of API for the whole of 2003 and of ADAB for the period through to its sale on October 28<sup>th</sup>, 2003.

Discontinued Revenues in 2003 were \$7.3 million compared \$65.3 million for 2002, a decline of \$58.0 million or 89%.

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Revenues for 2003 have been impacted by a number of factors in addition to underlying trading changes. The key factors are:

- Charges for Permax returns and in-market inventory risks as a result of generic competition and high in-market inventory levels of \$9.0 million;
- Charges for returns on the Primary Care Portfolio of \$1.6 million; and
- The inclusion of ADAB through October 28<sup>th</sup> 2003 compared to the full year 2002 – a reduction in Revenue of \$2.2 million.

Taking into account these factors, revenues from discontinued operations declined by \$45.2 million.

For 2003, Permax net revenues were negative \$2.4 million because of the returns charges, and net revenues prior to these charges were \$6.6 million. This compares to \$41.3 million of Permax revenues in 2002. At the end of 2002, wholesale customers held significant inventories of Permax and with the decline in demand due to competition did not require us to make further sales throughout 2003. In-market inventory levels at the end of 2003 remained high in number of months forward coverage due to the reduction in monthly in-market demand.

In-market total Permax prescriptions fell to 68,815 in the year to December 31, 2003 from 160,469 in the prior year, a decline of 57%. Consistent with the trend seen in 2002, according to external industry data, total prescriptions for the dopamine agonist market in which Permax competes continued to grow and were up 14% to 1.6 million in the year to December 31, 2003. We attribute the decline in prescriptions of Permax to greater sales and marketing resources dedicated to competing dopamine agonists, the introduction of a competitive generic product and labeling safety disadvantages of Permax. At the end of 2003, based on an externally sourced report, wholesalers and similar customers held approximately 7.1 months’ supply at the end of 2003 (based on

December 2003 in-market demand) compared to 5.1 months (based on December 2002 in-market demand) at the end of 2002. Externally sourced inventory information is not readily available and when available is not necessarily accurate or verifiable.

The primary care portfolio generated \$5.0 million of revenue in 2003, compared to \$16.3 million in 2002. The decline is due to an exceptional returns provision for excess inventory at one customer of \$1.6 million (see above) and wholesaler inventory changes. Wholesaler inventory levels had risen during 2002 in response to discounts that we offered. Management believed that the resulting levels of inventory held by wholesalers at the start of 2003 were too high and an inventory reduction program was initiated, including the moderation of previous discounting practices. The Phrenilin family of products generated revenues of \$2.1 million in 2003, compared to \$6.9 million in 2002. In-market total prescriptions for the Phrenilin family declined 19% in the year ended December 31, 2003 compared to the prior year. According to external industry data, the butalbital market in which Phrenilin competes declined 36% over the same period. Bontril generated revenues of \$3.3 million in 2003 compared to \$5.8 million in 2002 and in market its total prescriptions declined 9% in 2003, again compared to 2002. According to external industry data, total prescriptions of the anti-obesity market in which Bontril competes declined 16% over the same period. Motofen generated revenues of \$0.7 million in 2003 compared to \$1.4 million in 2002 and its total prescriptions were down 10% in the same period. This 10% reduction in prescriptions for Motofen is due to management's decision to reduce marketing spends in response to financial constraints.

We have only limited information on in-market inventory levels for our primary care portfolio. Information available for Bontril indicates that wholesalers and similar customers held approximately 8.5 months' supply at the end of 2003 (based on December 2003 in-market demand), the same number of months (based on December 2002 in-market demand) as for 2002.

In 2003, 54% of our revenue was attributable to one customer, compared to 23% in 2002, and the next four largest customers accounted for an additional 36% of our revenue, compared to 56% in 2002.

The gross margin for 2003 from discontinued business was a loss of \$4.7 million compared to a profit of \$35.2 million for 2002. The 2003 loss is a result of the charges against revenue explained above plus the charges for inventory provisions of \$5.3 million relating to Permax and Primary Care in-house inventory that is projected to expire prior to its sale. The 2002 gross margin included a \$4.7 million charge relating to the withdrawal of Phrenilin with Caffeine and Codeine in that year.

Prior to these charges (both against revenue and in inventory provisions for 2003 and 2002), the gross margin decreased to 60% of sales from 61% in 2002. The slight decrease is a result of product mix offset by management's decision not to offer similar levels of discounts to customers as were offered in 2002.

Included in the 2003 selling, general and administrative expenses attributable to discontinued operations were impairment charges of \$10.1 million relating to the write down of the intangible assets of Permax (\$9.4 million) and the primary care portfolio (\$0.7 million). This compares to \$38.8 million in 2002 related to Permax (\$38.3 million) and Moraxen (\$0.5 million). The 2003

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impairment charges have been made to reflect the actual net realizable value under the Valeant sale post year-end. The 2002 Permax impairment charge arose as a result of the launch of a generic form of Permax in the last quarter of 2002.

Included in total operating expenses for 2003 was \$0.1 million in royalties and distribution fees to Elan for sales of Permax, as compared to \$1.4 million in royalties and distribution fees to Elan for Permax sales in 2002.

As disclosed in our Annual Report on Form 20-F for the year ended December 31, 2002, in January 2003 we agreed a reduction in our deferred consideration obligations to Elan. This resulted in a gain of \$7.5 million that has been reflected as a credit in operating expenses attributable to discontinued operations.

The 2002 results include a \$0.5 million provision for the closure of the New Jersey facility, which took place during 2002 and a gain of \$1.1 million on the release of a provision related to transdermal contracts that were sold in 1999 and are no longer anticipated to crystallize.

Amortisation of Permax and the Primary Care Portfolio which are included in selling, general and administrative expenses attributable to discontinued operations, decreased to \$4.9 million in 2003 from \$6.9 million in 2002. The reduction in amortization charge in 2003 arises because of the impairment to the Permax intangible asset carrying value at the end of 2002.

Included in the selling, general and administrative expenses in 2002 was a foreign exchange gain of \$8.1 million (no gain or loss in 2003). The exchange gain resulted from translating dollar denominated balance sheet amounts into pounds sterling at the prevailing exchange rates. As of January 1, 2003 we changed our functional currency from pounds sterling to US dollars, which eliminated the effect of foreign exchange rates on US dollar amounts from that date forward. Our foreign currency net investments are not hedged by currency borrowings or other hedging instruments.

Research and development expenditure on discontinued operations decreased 12% in 2003 to \$5.4 million. This decrease was largely driven by the inclusion of ADAB only for approximately 10 months in 2003 compared to 12 months for 2002.

A gain of \$13.1 million arises on the sale of ADAB to Watson in 2003 and is disclosed in disposal of operations and is attributable to discontinued operations.

#### *Taxation*

In 2003, a deferred tax asset of \$7.5 million has been recognized on the excess of tax book values compared to accounting carrying values for Permax. A deferred tax asset on part of the timing differences has been recognized to the extent that it will be realized in 2004 to shelter a gain arising on the settlement of Elan debt obligations. Establishing this deferred tax asset gives rise to a tax credit of \$7.5 million in the current year, being the substantial portion of the current year tax credit of \$7.4 million. Included in the 2002 tax on profit on ordinary activities of \$3.5 million is a provision of \$2.6 million in relation to corporate tax on a capital gain incurred on the disposal of assets in a discontinued business which took place during the 1999 fiscal year.

#### ***Comparison of Fiscal Years Ended December 31, 2002 and December 31, 2001***

The continuing operations revenues for 2002 and 2001 are derived from historical royalty license agreements. Operating expenses represent the corporate head office. The results of our operating activities that were sold prior to the date of this annual report are included as discontinued.

### Revenue

Revenues from the continuing business for fiscal 2002 were \$0.1 million in-line with 2001.

### Operating Expenses

Total operating expenses for the continuing business were \$6.1 million compared to \$4.4 million in 2001, an increase of 38%. This increase reflects the relocation of our head office from Cambridge, UK to London, increased travel to the U.S. and increased professional, investor relations and public relations fees.

### Interest Income and Interest Expense

Interest income of \$0.4 million in 2002 was entirely earned from cash balances held on deposit. Interest expense in 2002 of \$2.4 million included a provision of \$0.5 million representing interest on a capital gains tax liability in relation to the disposal of assets in a discontinued business in 1999. The remaining interest expense of \$1.9 million in 2002 was accrued on the remaining balance of US\$42.5 million of the loan from Elan, which is explained in more detail below in “— Liquidity and Capital Resources.” This loan from Elan was drawn down in 2001 to finance the acquisition of Permax. Consequently, the increase in interest charge in 2002 is reflective of the loan being outstanding for the full year compared to a partial year in 2001.

### Taxation

The 2002 taxation charge of \$3.5 million comprises \$2.6 million related to capital gains arising on the disposal of a discontinued business in 1999 and \$0.9 million of overseas tax paid on results for the year. The 2002 charge comprises tax on the result for the year.

### Discontinued Operations

In March 2002, we exercised our option to acquire from Elan, a related party, the remaining US rights to Permax. Prior to the exercise of the option, we had been acting in the capacity of exclusive US distributor of Permax. The exercise of the option triggered an additional \$37.5 million in deferred fixed payments to Elan, \$7.5 million of which was paid on exercise of the option and \$2.5 million of which was paid in July 2002. The balance was reduced in January 2003 by \$7.5 million and two installments of \$2.5 million were paid in January and March, respectively with the remaining amount being payable in six quarterly instalments of \$2.5 million. We were required to pay royalties to Elan of between 3.0% and 3.5% on all of our US net sales of Permax in 2002 increasing to 10% on all of our US net sales of Permax thereafter. In addition, we have received contributions from Elan towards the cost of product returns relating to sales made prior to our acquisition of the Permax sales rights.

For 2002, Permax generated \$42.5 million of revenues compared to \$29.9 million in 2001. This increase was caused by the inclusion of Permax revenues for a full year, versus only seven months in 2001. In-market total Permax prescriptions fell to 160,469 in the year to December 31, 2002 from 192,222 in the prior year, a decline of 17%. At the same time, however, according to external industry data, total prescriptions for the dopamine agonist market in which Permax competes grew by 14% to 1.4 million in the year ended December 31, 2002 over the prior year. We attribute the decline in prescriptions of Permax to the introduction of a competitive generic product and to an article reporting a possible connection between pergolide, which is ergot-derived, and valvular heart disease. Additionally, the levels of inventory held by wholesalers and similar customers impacts the level of sales made by us. At the end of 2002, based on an externally sourced report, wholesalers and similar customers held approximately 5.1 months' supply (based on December 2002 in-market demand) compared to 6.8 months (based on December 2001 in-market demand) at the end of 2001.

The primary care portfolio generated \$16.3 million in 2002, compared to \$18.7 million in 2001. This decrease was mainly due to the discontinuation of Phrenilin with Caffeine and Codeine during 2002 caused by severe competition from generic competitors. The Phrenilin family of products generated revenues of \$6.8 million in 2002, compared to \$9.8 million in 2001. In-market total prescriptions for the Phrenilin family declined 12% in the year ended December 31, 2002 compared to the prior year. According to external industry data, the butalbital market in which Phrenilin competes declined 36% over the same period. Bontril generated revenues of \$5.8 million in 2002 compared to \$6.4 million in 2001 and in-market, its total prescriptions were up 16% in 2002, again compared to 2001. According to external industry data, total prescriptions of the anti-obesity market in which Bontril competes declined 20% over the same period. Motofen generated revenues of \$1.3 million in 2002 compared to \$1.6 million in 2001 and its total prescriptions were up 2% in the same period. Total prescriptions of the anti-diarrhoeal market in which Motofen competes were down 3% in 2002 compared to 2001 according to external industry data.

We have only limited information on in-market inventory levels for our primary care product portfolio. Information available for Bontril indicates that wholesalers and similar customers held approximately 8.5 months' supply at the end of 2002 (based on December 2002 in-market demand). No comparable prior year information is available.

Royalty revenues were \$1.8 million for fiscal year 2002 compared to \$2.6 million in 2001. This decrease was mainly due to erosion of the market share of diltiazem. Licensing and development fees were \$3.4 million for the year compared to \$2.4 million in 2001. Increases in licensing and development fees were entirely due to new fees for service contracts which were performed by our development company in Malmö, Sweden. The principal licensing and development contracts in 2002 were with Tanabe, Kissei

In 2002, 23% of our revenue was attributable to one customer, compared to 10% in 2001, and the next four largest customers accounted for an additional 56% of our revenue, compared to 26% in 2001.

The gross margin for 2002 from discontinued business decreased to 54% compared to 60% for 2001. The 2002 cost of sales included a \$4.7 million one-time inventory write off provision in relation to the discontinuance of Phrenilin with Caffeine and Codeine. Excluding the impact of this charge, the gross margin was 61%. Permax had a margin of 59% in 2002 compared to 55% in 2001. The primary care portfolio had a combined average gross margin of 69% in 2002 compared to 72% in 2001.

Total selling, general and administrative expenses from discontinued operations of \$55.6 million accounted for 91% of total expenditures and represented an increase of 68% in 2002 over selling, general and administrative expenses in 2001.

Included in the 2002 selling, general and administrative expenses were impairment charges of \$38.8 million relating to the write down of the intangible assets of Permax (\$38.3 million) and Moraxen (\$0.5 million). The Permax impairment charge arose as a result of the launch of a generic form of Permax in the last quarter of 2002.

Included in total operating expenses for 2002 was \$1.4 million in royalties and distribution fees to Elan for sales of Permax, as compared to \$3.5 million in royalties and distribution fees to Elan for Permax sales in 2001.

Also included in the 2002 selling, general and administrative expenses was a \$0.5 million provision for the closure of the New Jersey facility, which took place during 2002.

Amortisation, which is included in selling, general and administrative expenses, decreased to \$7.4 million in 2002 from \$22.9 million in 2001. The 2001 charge includes \$20.1 million relating to the accelerated amortization of the Permax intangible prior to the exercise of the option to acquire all US Permax rights. Most of the amortization charge in 2002 reflects expense in relation to the Permax intangible following our exercise of our option to acquire the remaining US rights to Permax.

Included in the selling, general and administrative expenses in 2002 was a foreign exchange gain of \$8.0 million compared to a loss of \$0.3 million in 2001. The exchange gain resulted from translating dollar denominated balance sheet amounts into pounds sterling at the prevailing exchange rates.

Excluding amortisation and non-recurring items, total selling, general and administration expenses increased by 38% to \$23.7 million. This increase was largely due to the inclusion for a full year of the sales and marketing office in Mill Valley, California and of the sales force.

Research and development expenditure on discontinued operations increased 23% in 2002 to \$6.2 million. This increase was largely driven by the continued focus on fee for service contracts at our development facility in Malmö, Sweden, along with the enlargement of a regulatory and medical function in our US business.

During 2002, a provision of \$1.1 million was released in relation to the transdermal contracts. The provision had been created for the anticipated costs associated with the termination or assignment of the transdermal contracts and was released as these costs are no longer expected to crystallize.

Included in the 2002 tax on profit on ordinary activities of \$3.5 million is a provision of \$2.6 million in relation to corporate tax on the capital gain incurred on the disposal of assets in a discontinued business which took place during the 1999 fiscal year.

### ***Critical Accounting Policies***

Our significant accounting policies are described in Note 2 to the consolidated financial statements beginning on page F-1 of this annual report. We believe our most critical accounting policies include those described immediately below.

#### ***Intangible Assets***

UK GAAP requires that we periodically evaluate acquired assets for potential impairment indicators. Our judgments regarding the

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existence of impairment indicators are based on legal factors, market conditions, operational performance and expected cash flows from the assets. Since indications or impairments can result from events outside of our control, it can be difficult to predict when an impairment loss may occur. However, should an impairment occur, we would be required to write down the carrying value of the affected asset to its recoverable amount and to recognize a corresponding charge to the income statement. Any such impairment may have a material adverse impact on our financial condition and results of operations.

When we make an investment in a development product, amounts paid are capitalized and amortised immediately over the estimated life of that asset. If the intangible asset is a marketed product, the amount capitalized is reviewed for impairment by comparing the net present value of future cash flows to the carrying value of the asset.

Long-lived assets chiefly relate to amounts capitalized in connection with acquired intangible assets. These assets are amortised over their estimated useful lives, which generally range from ten to fifteen years. Management periodically reviews the appropriateness of the remaining useful lives of its long-lived assets in the context of current and expected future market conditions. In the event that we are required to reduce our estimate of the useful lives of any of our long-lived assets, it would shorten the period over which we depreciate the affected asset and may result in a material increase of depreciation expense prospectively from the date of the change in estimate.

#### ***Revenue Recognition***

Prior to the sale of our US business subsequent to the end of the 2003 fiscal year, we derived a significant majority of our revenues from the sale of pharmaceutical products. We recognized revenue for the invoiced value of products delivered to the customer, less applicable discounts. Our normal sales terms allowed for product returns under certain conditions. We accrued for estimated sales returns and allowances and offset these amounts against revenue. We regularly reviewed our estimates against actual returns and also factored in other variables such as planned product discontinuances and market and

regulatory considerations. Actual returns and deductions were processed against returns and deductions reserves and such reserves were updated to reflect differences between estimates and actual experience.

Income under license and development agreements continues to be recognized using the lesser of non-refundable cash received or the result achieved using percentage-of-completion accounting. Milestone payments representing contingent fees due to us upon satisfaction of contractually agreed criteria were recognized when we fulfilled our obligations under the contract, the amounts are non-refundable, and collectability is probable.

### **Impact of Inflation**

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

### **Governmental Policies**

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

## **B. Liquidity and Capital Resources**

We have financed our operations through cash generated from operations as well as the issuance of debt and equity securities. Over the three years ended December 31, 2003, we have received \$23.0 million in cash from the issuance of shares (net of expenses) and \$49.8 million in loans, the loans having been provided by our related party Elan. We have repaid \$22.5 million of these loans during this three-year period and subsequent to the end of the year repaid and re-financed the remaining loans.

### **Cash**

As of December 31, 2003, we had approximately \$2.1 million in cash. This cash has been invested primarily in US dollar denominated money market and checking accounts with financial institutions in the UK having a high credit standing. As of March 24, 2004, we had approximately \$10.7 million in cash, the increase representing net proceeds from the sale of API.

Cash flows expended on continuing operations were \$4.9 million for the year ended December 31, 2003 as compared to \$4.2

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million for the year ended December 31, 2002 and \$3.1 million for the year ended December 31, 2001. Cash flows expended on discontinued operations were \$10.2 million for the year ended December 31, 2003 as compared to cash flows generated on these discontinued activities of \$10.4 million and \$21.9 million for the years ended December 31, 2002 and 2001 respectively.

The operating cash flows expended on continuing and discontinued operations reflect funding of the operating loss of \$38.8 million adjusted for non-cash depreciation, amortization and impairment charges (\$16.1 million), and a net inflow on working capital of \$7.6 million. In 2002, operating cash flows generated reflect an operating loss on continuing and discontinued operations of \$32.6 million adjusted for non-cash charges of \$47.1 million (amortization, depreciation and impairment charges), a reduction in net working capital of \$1.7 million and offset by a non-cash foreign exchange gain of \$10.1 million.

Cash flows expended on investing activities were \$16.8 million in 2003 as compared to \$11.5 million in 2002. Our principal investing activities relate to the purchase of the remaining US rights to Permax from Elan for which \$16.1 million was paid in 2003 and \$10.9 million in 2002. In 2001 investing activities primarily comprised the purchase of distribution rights to Permax from Elan of \$47.5 million.

In 2003 \$13.4 million (net of expenses) was received from the sale of Amarin Development AB and the purchaser additionally assumed a \$0.3 million overdraft. There were no significant acquisitions or disposals of assets in 2002 or 2001.

Cash inflows from financing activities in 2003 were \$1.4 million compared to cash outflows of \$3.0 million in 2002 and cash inflows of \$50.0 million in 2001. Net cash provided by financing activities in 2003 comprised a private placement of ordinary shares (\$19.1 million) – see below – offset by repayment of Elan loans (\$17.5 million). Net cash outflows on financing activities in 2002 primarily relate to repayment of Elan loans. Net cash inflows from financing in 2001 were largely due to the US\$45 million loan provided by Elan.

The 2002 purchase of the remaining US rights to Permax consisted of a non-cash movement due to the creation of a scheme of deferred payments, which were in the amount of \$27.5 million. In January 2003, Elan agreed to waive \$7.5 million of the deferred payments and during 2003 \$16.1 million was paid, \$5 million in two quarterly instalments and \$11.1 million from the proceeds received on the sale of ADAB (see commentary above). As of December 31, 2003, \$3.9 million in deferred payments was outstanding.

As described in Item 4 “Information on the Company — History and Development of the Company,” we completed a private placement of 6,093,728 Ordinary Shares, raising gross proceeds of approximately \$21.2 million in January 2003. As part of the private placement, we issued warrants to acquire 313,234 Ordinary Shares at an exercise price of \$3.4785 per share, which warrants are exercisable between January 27, 2004 and January 26, 2008. The net proceeds of our January 2003 private placement (taking into account the cash fees of our placement agent but not our legal, travel, printing or other expenses) were approximately \$19.1 million. We applied a portion of these net proceeds, together with available cash reserves, to satisfy certain payment obligations to Elan. See “— Contractual Commitments,” Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions” and our financial statements beginning at page F-1 of this annual report.

As at December 31, 2003, total debt obligations outstanding comprised a \$25.0 million interest bearing loan, and a \$6.5 million interest free loan, both of which were from Elan (a related party). Subsequent to the end of the year, on February 25, 2004, these loans (together with deferred consideration obligations) were settled through the payment of cash (\$17.2 million) and issuing a new 5- year 8% loan note (\$5.0 million) and warrants covering 500,000 Ordinary Shares to Elan. A gain on settlement of these debt and deferred consideration obligations will be recognized in 2004.

All treasury activity is managed in the corporate head office. Cash balances are invested in short term money market deposits, either dollar or sterling. No formal hedging activities are undertaken although cash balances are maintained in currencies that match our financial obligations. Subsequent to the end of the year, following the sale of API, the cash balances were divided into sterling deposits (to match the next twelve months' corporate overheads) and dollar deposits (to match obligations to Valeant, operating expenses denominated in dollars and interest expense arising on the 5 year 8% loan note).

### Pro Forma Financial Projections

As we have previously reported, subsequent to the end of the year, we have sold our US commercial activities, all of our US marketed products and one of our US development products. In addition, our balance sheet as at December 31, 2003 reflects negative total shareholders' funds. As a result of both the sale of substantially all of our operations, and our balance sheet position, Nasdaq

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recently initiated a review to determine whether we meet its requirements for continued listing on the Nasdaq National Market.

Taking into account the impacts of the sale of the US assets subsequent to the end of the year, we will still not satisfy Nasdaq's minimum stockholders' equity requirements as shown by the following table that sets forth our summarized balance sheet at December 31, 2003 and a summarized balance sheet adjusted to give effect to our sale subsequent to the year end and settlement of our Elan debt obligations from the proceeds of that sale.

	Balance Sheet as at December 31, 2003 (See below*) \$ million	Adjustments (Unaudited) \$ million	Adjusted Balance Sheet (Unaudited) \$ million
Fixed Assets (1)	32.8	(28.4)	4.4
Current Assets (2)	5.0	(3.8)	1.2
Cash (3)	2.1	3.8	5.9
Deferred Tax (4)	7.5	(7.5)	—
<b>Total Assets</b>	<b>47.4</b>	<b>(35.9)</b>	<b>11.5</b>
Current Liabilities (5)	(53.7)	50.4	(3.3)
Long Term Liabilities (6)	—	(5.0)	(5.0)
<b>Total Liabilities</b>	<b>(53.7)</b>	<b>45.4</b>	<b>(8.3)</b>
<b>Total Shareholders' (Deficit)/Funds</b>	<b>(6.3)</b>	<b>9.5</b>	<b>3.2</b>

\*Extracted from audited financial statements

#### Notes:

	\$ million
<b>(1) Fixed assets adjustment comprises:</b>	
Acquisition of Zelapar upon settlement with Elan	8.0
Intangible assets sold to Valeant	(36.4)
	(28.4)
<b>(2) Current assets adjustment comprises:</b>	
Current assets sold to Valeant	(3.8)
<b>(3) Cash movements comprise:</b>	
Cash balance in API sold to Valeant	(1.0)
Cash consideration from Valeant sale	38.0
Cash element of Elan debt settlement	(17.2)
Expenses and cash obligations on sale to Valeant	(16.0)
	3.8
<b>(4) Deferred tax</b>	
Asset released against settlement of Elan obligations	(7.5)
<b>(5) Current liabilities adjustment comprises:</b>	
Liabilities assumed by Valeant on sale	15.0
Elan debt settled	35.4
	(50.4)
<b>(6) Long term liability adjustment comprises:</b>	
Long term loan from Elan arising on debt settlement	(5.0)

Management has developed plans to be implemented during 2004 to address the requirements for continued listing on the Nasdaq National Market. This plan includes a combination of product licensing, financing through the issue of new shares and potential merger and acquisition activities.

#### General-Liquidity

We have evaluated our anticipated cash flow through March 31, 2005, based on our current estimates of future payment obligations. Based on our anticipated cash flow and our cash balances as at March 24, 2004, we estimate that we can fund our operations and meet our obligations through at least March 31, 2005.

### C. Research and Development

To date we have managed development risk by structuring agreements such that our development partners incur the cost of research and development activities for products we license from them. Whether we continue with this strategy will be dependent upon the future licensing opportunities that arise and the requirements of potential future partners.

### D. Trend Information

Following the sale of ADAB to Watson on October 28, 2003 and our US assets to Valeant subsequent to the end of the year, we do not have significant short-term revenue generating assets. Consequently, future results for the Group in its current form will reflect expenditure on our corporate activities and will trend in-line with the continuing business results presented herein for the year ended December 31, 2003.

### E. Off Balance Sheet Transactions

Although, there are no disclosable off balance sheet transactions there are transactions involving contingent milestones—see "Note 39—Related party transactions" in our financial statements.

### F. Contractual Obligations.

The following table summarizes our payment obligations as of December 31, 2003:

	Payments due by period in \$ 000's						
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Thereafter
Long term debt	—	—	—	—	—	—	—
Capital / finance lease	—	—	—	—	—	—	—
Operating lease	6,537	1,170	1,110	991	907	490	1,869
Purchase obligations	2,752	1,953	183	388	228	—	—
Other long term creditors	—	—	—	—	—	—	—
<b>Total</b>	<b>9,289</b>	<b>3,123</b>	<b>1,293</b>	<b>1,379</b>	<b>1,135</b>	<b>490</b>	<b>1,869</b>

As at December 31, 2003, we did not have any commitments related to Zelapar but had an option to acquire exclusive US rights. Upon exercise of that option would have become liable for certain milestone payments related to future sales. Subsequent to the end of the year we exercised our option to acquire Zelapar and simultaneously sold our rights and assigned our obligations to Valeant Pharmaceuticals International—see Item 4A "Information on the Company—History and Development of the Company".

There are no capital commitments relating to the LAX-101 development project. However, we will be required to issue additional Ordinary Shares and make royalty payments on future sales of LAX-101, subject to achievement of milestones in the agreement.

The following table summarizes our contractual obligations as of March 24, 2004 after giving effect to the disposal of our US subsidiary and the restructuring of our debt to Elan:

	Payments due by period starting January 1, 2004 in \$ 000's						
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Thereafter
Long term debt	5,000	—	—	1,500	1,500	2,000	—

The above represents indebtedness under a \$5 million loan note issued to Elan. We will be required to make a payment of \$1.0 million under such note upon receipt of the first milestone payment under the Asset Purchase Agreement with Valeant, which payment arises on successful completion of the Zelapar research and development studies.

On receipt of the \$5 million second milestone payment under the Asset Purchase Agreement with Valeant, which payment arises on FDA approval of Zelapar, Elan has the option to have the entire \$5.0 million long term loan note repaid.

## Item 6 Directors, Senior Management and Employees

### A. Directors and Senior Management

The following table sets forth certain information regarding our officers and directors. A summary of the background and experience of each of these individuals follows the table.

Name	Age	Position
Thomas G. Lynch	47	Chairman and Non-Executive Director
Richard A. B. Stewart	45	Chief Executive Officer and Director
John Groom	65	Non-Executive Director
Anthony Russell-Roberts	59	Non-Executive Director
William Mason	52	Non-Executive Director

Hubert Huckel	72	Non-Executive Director
Ian R. Garland	38	Chief Financial Officer
Jonathan Lamb	36	General Counsel and Company Secretary
Darren Cunningham	31	Executive Vice President of Strategic Development

Mr. Thomas Lynch joined us on January 21, 2000 as Chairman and Non-Executive Director. Mr. Lynch is currently senior advisor to the Chairman of Elan Corporation plc and previously worked at Elan Corporation plc. While there, he had a number of roles including Vice Chairman, Executive Vice President, Chief Financial Officer and Director. Prior thereto, Mr. Lynch was a partner in the international accounting firm of KPMG, where he specialized in the provision of international corporate financial services. Mr. Lynch is also a director of IDA Ireland (an Irish governmental agency) and Icon plc.

Mr. Richard Stewart joined us in November 1998 as our President and Chief Operating Officer. Prior to joining us, Mr. Stewart was responsible for corporate strategy as Corporate Development Director of SkyePharma plc, having previously been their Finance Director. He holds a B.Sc. in business administration from the University of Bath, School of Management. Mr. Stewart joined our board of directors on November 23, 1998.

Mr. John Groom joined us as a Non-Executive Director on May 29, 2001. Mr. Groom served as President and Chief Operating Officer of Elan Corporation plc from July 1996 until his retirement in January 2001. Mr. Groom continues to serve Elan in an advisory capacity. Mr. Groom was President, Chief Executive Officer and Director of Athena Neurosciences, Inc. prior to its acquisition by Elan in 1996. Mr. Groom serves on the board of directors of Neuronix Inc., CV Therapeutics Inc. and Ligand Pharmaceuticals Incorporated.

Mr. Anthony Russell-Roberts joined us as a Non-Executive Director on April 7, 2000. He has held the position of Administrative Director of The Royal Ballet at the Royal Opera House since 1983. Prior to that, he was Artistic Administrator of the Paris Opera from 1981 after five years of work in the lyric arts in various theatres. Mr. Russell-Roberts' earlier business career started as a general management trainee with Watney Mann, which was followed by eight years with Lane Fox and Partners, as a partner specializing in commercial property development. He holds an M.A. degree in Politics, Philosophy, and Economics from Oxford University and was awarded a CBE in 2004.

Dr. William Mason was appointed as a Non-Executive Director on July 19, 2002. Dr. Mason is an entrepreneur with a strong scientific background in healthcare and life sciences. He received his doctorate in physiology from Trinity College, Cambridge in 1977. For twenty years Dr. Mason led a public and industry-funded programme of neuroscience-focused medical research using cellular and molecular genetics, advanced computing and engineering technology for the visualisation of chemical events in biological cells and high throughput drug discovery. During this time, Dr. Mason also played an active part as a member of the Advisory Council on Science and Technology in the UK Cabinet Office of HM Government focused on changes to the educational system to effect the development of a more highly qualified scientific and technical manpower base in the UK. He also founded three successful high technology companies. Currently, Dr. Mason is Chairman of Cytomyx plc (AIM: CYX), Meridian Technology Ltd and Team Consulting, a board director of Sage Healthcare Limited and an Advisory Board Member of Cambridge Gateway Fund.

Dr. Hubert Huckel joined us as a Non-Executive Director on June 16, 2000. From 1964 until his retirement in December 1992, Dr. Huckel served in various positions with the Hoechst Group. At the time of his retirement, he was Executive Chairman of the Board of Hoechst-Roussel Pharmaceuticals, Inc., Chairman and President of Hoechst-Roussel Agri-Vet Company and a member of the Executive Committee of Hoechst Celanese Corporation. He currently serves on the boards of directors of Titan Pharmaceuticals Inc., Thermogenesis Corporation, Valera Pharmaceutical Inc. and Catalyst Pharmaceutical Partners, Inc.

Mr. Ian Garland joined us as Chief Financial Officer in March 2003. Mr. Garland joined Amarin from Celltech Group PLC, the UK's largest bio-pharmaceutical company, where since 1999 he had run their US specialty pharmaceutical operations reporting to the UK based global Pharmaceuticals Chief Executive. Mr. Garland joined Celltech US in 1997 as Chief Financial Officer. Prior to his position at Celltech, Mr. Garland was a Finance Director at Pepsi Cola International in New York. Mr. Garland is a chartered accountant and spent seven years with KPMG in London specialising in pharmaceuticals.

Mr. Jonathan Lamb joined us in February 2002 as General Counsel and Company Secretary. Mr. Lamb joined us from Shire Pharmaceuticals Group plc, where he served in Shire's legal division. Prior to his position in Shire, Mr. Lamb was a partner at Gosschalks, an English firm of solicitors, where he specialized in corporate and business law. In this capacity he provided advice and legal services to several clients in the pharmaceutical and biotechnology sectors.

Mr. Darren Cunningham joined us on secondment from Elan in August 2001 and was appointed as our Executive Vice President of Strategic Development in September 2002. Prior to joining Amarin, Mr. Cunningham worked for Elan as manager and then Associate Director of Strategic Planning. Mr. Cunningham is a member of the Institute of Chartered Accountants (Ireland) and trained at Price Waterhouse in Dublin.

Following the sale of Amarin Pharmaceuticals Inc on 25th February 2004 to Valeant Pharmaceuticals International, Michael D. Coffee resigned as a director and employee of the Company. Mr Coffee, our former Chief Operating Officer was entitled to receive certain severance benefits on termination of his employment with us or on a change of control. These benefits included (i) a lump sum severance payment of 12 months' salary, plus an additional month for each year or part year of service, up to a maximum total payment of 18 months, (ii) outplacement assistance, (iii) a prorated bonus payment for that year, (iv) a continuation of payment of his employee portion of any COBRA benefits; and (v) accelerated vesting of unvested stock options held. On the date of his resignation Mr Coffee waived any rights to severance benefits as against the Company.

There is no family relationship between any director or executive officer and any other director or executive officer.

## B. Compensation

### General

Our directors who serve as officers or employees receive no compensation for their service as members of our board of directors. Directors who are not officers or employees receive \$44,753 per annum save for the Chairmen of the Audit and remuneration Committees who receive \$71,604 and such options to acquire Ordinary Shares for their service as non-executive members of the board of directors as the Remuneration committee of the board of directors may from time to time determine. Thomas Lynch and John Groom have to date waived their right to non-executive directors' fees. Additionally, Thomas Lynch has to date waived all of his rights with respect to option grants to non-executive directors that were proposed for him.



For the year ended December 31, 2003, all of our directors and senior management as a group received total compensation of US \$1.137 million and in addition, directors and senior management were issued options to purchase a total of 305,933 Ordinary Shares during such period. See “— Share Ownership” below for the specific terms of the options held by each director and officer.

There are no sums set aside or accrued by us for pension, retirement or similar benefits although we do make contributions to certain of our employees’ and officers’ pensions during the term of their employment with us.

### ***The Amarin Corporation plc 2002 Stock Option Plan***

The Amarin Corporation plc 2002 Stock Option Plan came into effect on January 1, 2002. The term of the plan is ten years, and no award shall be granted under the plan after January 1, 2012.

The plan is administered by the remuneration committee of our board of directors. A maximum of four million Ordinary Shares may be issued under the plan. Employees, officers, consultants and independent contractors are eligible persons under the plan. The remuneration committee may grant options to eligible persons. In determining which eligible persons may receive an award of options and become participants in the plan, as well as the terms of any option award, the remuneration committee may take into account the nature of the services rendered to us by the eligible persons, their present and potential contributions to our success or such other

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factors as the remuneration committee, at its discretion, shall deem relevant.

Two forms of options may be granted under the plan: incentive stock options and non-qualified stock options. Incentive stock options are options intended to meet the requirements of Section 422 of the US Internal Revenue Code of 1986, as amended. Non-qualified stock options are options which are not intended to be incentive stock options.

As a condition to the grant of an option award, the recipient and us shall execute an award agreement containing such restrictions, terms and conditions, if any, as the remuneration committee may require. Option awards are to be granted under the plan for no cash consideration or for such minimal cash consideration as may be required by law. The exercise price of options granted under the plan shall be determined by the remuneration committee, however the plan provides that the exercise price shall not be less than 100% of the fair market value, as defined under the plan, of an Ordinary Share on the date that the option is granted. The consideration to be paid for the shares under option shall be paid at the time that the shares are issued. The term of each option shall end ten years following the date on which it was granted. The remuneration committee may decide from time to time whether options granted under the plan may be exercised in whole or in part.

No option granted under the plan may be exercised until it has vested. The remuneration committee will specify the vesting schedule for each option when it is granted. If no vesting schedule is specified with respect to a particular option, then the vesting schedule set out in the plan will apply so that 33% of the total number of Ordinary Shares granted under the option shall vest on the first anniversary of the date that the option was granted, a further 33% shall vest on the second anniversary and the remaining 34% shall vest on the third anniversary.

The plan provides that the vesting of options shall be accelerated if we undergo a change of control and at the discretion of the remuneration committee. In the event of an offer to acquire all of our issued share capital or the acquisition of all of our issued share capital in other specified circumstances, the option holder may release its option in return for the grant of a new option over shares in the acquiring company.

If a participant’s continuous status as an employee or consultant, as defined under the plan, is terminated for cause then his or her options shall expire immediately. If such status is terminated due to death or permanent disability and if options held by the participant have vested and are exercisable, they shall remain exercisable for twelve months following the date of the participant’s death or disability.

No option award, nor any right under an option award, may be transferred by a participant other than by will or by the laws of descent as specifically set out in the plan. Participants do not have any rights as a shareholder of record in us with respect to the Ordinary Shares issuable on the exercise of their options until a certificate representing such Ordinary Shares registered in the participant’s name has been delivered to the participant.

The plan is governed by the laws of England.

## **C. Board Practices**

### ***General***

No director has a service contract providing for benefits upon the termination of service or employment.

Our articles of association stipulate that the minimum number of directors shall be two and the maximum number shall be fifteen. We presently have eight directors. Directors may be elected by the shareholders at a general meeting or appointed by the board of directors. If a director is appointed by the board of directors, that director must stand for election at our subsequent annual general meeting. At each annual general meeting, one-third of our directors must retire and either stand, or not stand, for re-election. In determining which directors shall retire and stand, or not stand, for re-election, first, we include any director who chooses to retire and not face re-election and second, we choose the directors who have served as directors for the longest period of time since their last election.

At the annual general meeting for 2004, Messrs. Mason, Russell-Roberts and Lynch will retire by rotation, and each is expected to offer himself for re-election. Assuming no directors choose to retire and not stand for re-election at the annual general meetings in 2005 and 2006, we would expect Messrs. Huckel, Groom and Stewart, to retire and stand for re-election at the 2005 annual general meeting and Messrs. Mason, Russell-Roberts and Lynch to retire and stand for re-election at the 2006 annual general meeting. See —

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“Directors and Senior Management” above for details on when each of our directors joined our board of directors.

### Audit Committee

The audit committee of the board of directors comprises three of our non-executive directors and meets, as required, to review the scope of the audit and audit procedures, the format and content of the audited financial statements and the accounting principles applied in preparing the financial statements. The audit committee also reviews proposed changes in accounting policies, recommendations from the auditors regarding improving internal controls and the adequacy of resources within the accounting function.

The audit committee currently comprises the following directors:

- Mr. Dr. William Mason (Chairman);
- Mr. Anthony Russell-Roberts; and
- Mr John Groom (Financial Expert)

### Remuneration Committee

The remuneration committee of the board of directors comprises three of our non-executive directors. The remuneration committee’s primary responsibility is to approve the level of remuneration for executive directors. It may also grant options under our share option schemes to employees and executive directors and must approve any service contracts for executive directors and key employees. Non-executive directors’ remuneration is determined by the full board of directors.

The remuneration committee currently comprises the following directors:

- Mr. Anthony Russell-Roberts (Chairman);
- Dr. Hubert Huckel; and
- Mr. Thomas Lynch.

### D. Employees

The average number of employees employed by us during each of the past three financial years are detailed below:

Employment activity	12/31/03	12/31/2002	12/31/2001
Marketing and Administration	50	58	30
Clinical and Regulation	5	6	7
Research and Development	20	24	29
Computing	2	2	2
Laboratory	13	16	16
<b>Total</b>	<b>90</b>	<b>106</b>	<b>84</b>

The average number of employees employed by us by geographical region for the financial year ended December 31, 2003 is set forth below:

Country	Number of Employees
UK	8
US	33
<b>Total</b>	<b>41</b>

Following the sale of our US subsidiary in February 2004 our US employees did not remain with the Amarin group, resulting in a reduction of our workforce from 41 employees to 8.

### E. Share Ownership

The beneficial ownership of Ordinary Shares by, and options granted to, those persons who were our directors or officers at March 24, 2004, including their spouses and children under eighteen years of age, are presented in the table below. See also “— Compensation — The Amarin Corporation plc 2002 Stock Option Plan”.

Director/ Officer	Note	Options Outstanding to Acquire Number of Ordinary Shares	Date of Grant (dd/mm/yy)	Exercise Price per Ordinary Share	Ordinary Shares or ADS Equivalents Beneficially Owned	Percentage of Outstanding Share Capital**
<b>J. Groom</b>	1	15,000	23/01/02	\$ 17.65	*	*
	1	15,000	06/11/02	\$ 3.10		
<b>H. E. Huckel</b>	2	10,000	19/02/01	\$ 6.12	*	*
	1	15,000	23/01/02	\$ 17.65		

	1	15,000	06/11/02	\$ 3.10		
<b>T. G. Lynch</b>	—	0	—	—	*	*
<b>W. Mason</b>	1	15,000	06/11/02	\$ 3.10	*	*
<b>A. Russell-Roberts</b>						
	2	10,000	07/04/00	\$ 3.00	*	*
	2	10,000	19/02/01	\$ 6.12		
	1	15,000	23/01/02	\$ 17.65		
	1	15,000	06/11/02	\$ 3.10		
<b>R. A. B. Stewart</b>						
	3	350,000	23/11/98	\$ 5.00	510,000	2.4%
	1	150,000	23/01/02	\$ 17.65		
	1	150,000	06/11/02	\$ 3.10		
<b>D. Cunningham</b>	1	60,000	18/07/02	\$ 3.46	*	*
	1	40,000	24/02/03	\$ 3.17		
<b>I. R. Garland</b>	1	200,000	03/03/03	\$ 2.82	*	*
<b>J. S. Lamb</b>	1	80,000	18/02/02	\$ 13.26	*	*
	1	26,667	06/11/02	\$ 3.10		
	1	65,933	24/02/03	\$ 3.17		

Notes:

- (1) These options are exercisable as to one third on each of the first, second and third anniversaries of the date of grant and remain exercisable for a period ended on the tenth anniversary of the date of grant.
- (2) These options are currently exercisable and remain exercisable until ten years from the date of grant.
- (3) When granted these options were to become exercisable in tranches upon the price of our Ordinary Shares achieving certain pre-determined levels. By resolution of the board of directors of January 21, 2000, options to acquire 100,000 of these Ordinary Shares became exercisable immediately at an exercise price of US\$5.00 per Ordinary Share and remain exercisable until 54 months from the date of grant. On February 9, 2000, our remuneration committee approved the repricing of the remaining options to an exercise price of US\$5.00 per Ordinary Share, exercisable immediately and lapsing ten years from the date of grant.

\* Less than one percent of our outstanding share capital at March 24, 2004.

\*\* This information is based on 17,939,786 Ordinary Shares outstanding as of March 24, 2004, outstanding warrants to purchase 843,234 Ordinary Shares as of March 24, 2004, which warrants are exercisable on or before May 30, 2004 and outstanding options to purchase 2,729,752 Ordinary Shares, which options are exercisable on or before May 30, 2004.

## Item 7 Major Shareholders and Related Party Transactions

### A. Major Shareholders

The following table sets forth to the best of our knowledge certain information regarding the ownership of our Ordinary Shares at March 24, 2004 by each person who is known to us to be the beneficial owner of more than five percent of our outstanding Ordinary Shares, either directly or by virtue of ownership of ADSs.

<b>Name of Owner (1)</b>	<b>Number of Ordinary Shares or ADS Equivalents Beneficially Owned</b>	<b>Percentage of Outstanding Share Capital (2)</b>
Elan Corporation plc and its subsidiaries (3)	5,153,819	23.96%
Essex Woodlands Health Venture Fund V, LP s	2,012,361	9.35%
Horizon Waves & Co. as nominee for the Smith Barney Fundamental Value Fund (4)	1,779,145	8.27%
Simon G. Kukes (5)	1,248,145	5.96%

Notes:

- (1) Unless otherwise noted, the persons referred to above have sole investment power.
- (2) This information is based on 17,939,786 Ordinary Shares outstanding as of March 24, 2004, outstanding warrants to purchase 843,234 Ordinary Shares as of March 24, 2004, which warrants are exercisable on or before May 30, 2004 and outstanding options to purchase 2,729,752 Ordinary Shares, which options are exercisable on or before May 30, 2004.
- (3) Includes warrants to purchase 500,000 Ordinary Shares, which warrants are exercisable on or before May 30, 2004.
- (4) Includes 888,140 ADSs held by Smith Barney Fund Management Inc. and 28,565 ADSs held by Citigroup Global Markets Inc. (formerly known as Salomon Smith Barney Inc.), which are subsidiaries of Citigroup Inc. and therefore Citigroup Inc. may be deemed to be the beneficial owners of these securities. The Smith Barney Fundamental Value Fund is a mutual fund controlled by Citigroup Inc.
- (5) Includes 657,995 ADSs of which Simon and Clara Kukes are joint registered holders.

Since January 1, 2003, Elan's percentage of our outstanding Ordinary Shares (including Ordinary Shares that were issuable upon exercise of Preference Shares) has decreased from a high of 39.31% to the current 23.41% as we have issued more shares as the result of:

- a private placement of Ordinary Shares in January, 2003; and
- issuances of Ordinary Shares related to Ordinary Share option exercises;
- the conversion of 2,000,000 Preference Shares held by Elan into 2,000,000 Ordinary Shares in February 2003.

Since March 31, 2003, following Elan's most recent conversion of 2,000,000 Preference Shares into 2,000,000 Ordinary Shares, we have had no Preference Shares outstanding.

Essex Woodlands Health Ventures Fund V, LP acquired its entire shareholding as part of its participation in the private placement of 6,093,728 Ordinary Shares on January 17, 2003.

None of the above shareholders has voting rights that differ from those of our other shareholders.

The total number of ADSs outstanding as of March 24, 2004 was 17,401,163. The ADSs represented approximately 96.9% of the issued and outstanding Ordinary Shares as of such date. As at March 24, 2004, to the best of our knowledge, we estimate that US shareholders constituted approximately 67% of the holders of our Ordinary Shares and approximately 69% of the beneficial holders of our ADSs.

## B. Related Party Transactions

During the year ended December 31, 2003, and subsequent to the year-end, we entered into certain contracts, and amended the terms of certain contracts, with Elan, which is a significant shareholder. Our directors consider that transactions with Elan have been entered into on an arms length basis. Details of transactions involving Elan are given below.

During 2003 our debt obligations, and in particular our short term debt obligations, to Elan led to our seeking a number of renegotiations, reductions and extensions of the Elan debt to provide us with sufficient time to realize assets in an orderly fashion to meet payments to Elan and to maximize shareholder value. As of January 1, 2003 our obligations to Elan comprised approximately \$49 million of outstanding debt and \$27.5 million of deferred payment obligations.

In conjunction with the closing of our private placement on January 27, 2003, we restructured certain of the debt and milestone payments then due or potentially due to Elan. We paid \$2,459,880 in cash out of our cash reserves to Elan as interest accrued on our loan from Elan to January 16, 2003. Our loan agreement with Elan was varied so that the instalments of the loan were rescheduled as follows: \$10 million due and payable on September 30, 2003, together with accrued interest, became due and payable on September 30, 2004; and \$15 million due and payable on September 30, 2004, together with accrued interest, became due and payable on September 30, 2005. In accordance with the terms of the loan agreement, on January 16, 2003 we paid \$17.5 million to Elan that was previously due on December 31, 2002.

The Amended and Restated Distribution and Option Agreement, dated September 28, 2001, between Elan and us (relating to Permax, a product to which we had rights at such time) was amended so that the deferred consideration for Permax payable by way of quarterly instalments of \$2.5 million was reduced by \$7.5 million. We paid \$8,641,387 to Elan in discharge of the then-outstanding balance relating to Permax inventory, royalties and a \$2.5 million quarterly instalment of deferred consideration.

The option agreement dated June 18, 2001 and made between us and Elan (relating to Zelapar, a product to which we had rights at such time) was amended so that the first sales milestone payable by us to Elan became \$17.5 million rather than \$12.5 million. We also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs incurred for Zelapar. One-half of our or Elan's out of pocket costs paid by us under this arrangement were to be credited (up to \$5 million) against the \$17.5 million first milestone payable under the option agreement. The option agreement was further varied so that Elan was entitled to reclaim the rights to Zelapar where such rights have been previously transferred to us if we either materially breached the terms of any agreement between us and Elan and we failed to remedy such breach within 90 days of receiving written notice of such breach, or became insolvent. The option agreement was also varied so that we were at liberty to defer \$8 million of the \$10 million payable by us on closing of the option to a period not later than the later of the exercise of the option and September 30, 2003. In consideration of such deferral, we were obligated to pay \$2.25 million to Elan upon closing of the option to make a total option payment of \$10.25 million rather than \$10 million as had previously been the case. Alternatively, we could elect to pay \$10 million on closing of the option as had previously been the case.

As part of the restructuring of our obligations to Elan in January 2003, we undertook to use our commercial best efforts to sell all or substantially all of the primary care portfolio and/or Amarin Development AB, our Swedish research and development subsidiary, for upfront cash consideration of a reasonable sum and as expeditiously as reasonably practicable, and to apply the proceeds, if any, from these asset disposals to reduce our payment obligations to Elan, with any remaining proceeds used to fund our core business.

In August 2003 we agreed with Elan as part of a comprehensive settlement of our debt obligations to Elan:

- to pay \$30 million in cash no later than December 31, 2003;
- to pay \$10 million in equity when Zelapar annual sales reach \$20 million.
- to continue to pay a 12.5% royalty on future sales of Zelapar; and
- in the event that we raised funds in excess of \$40 million from the disposal of non-core assets and/or financing, we agreed to use half the excess to reduce the existing Zelapar royalty of 12.5% at the rate of one-half of one percent for each \$1 million per half of 1%, up to a maximum of 5% .

In consideration for the foregoing, Elan agreed to:

- a moratorium on debt and interest payments until December 31, 2003;
- full and final settlement of all debt and deferred payments due to Elan (the then-current amount of which was \$46.5 million); and
- elimination of existing option and milestone payments relating to Zelapar.

In connection with this agreement we granted to Elan a fixed and floating charge over all of our assets, to be reduced to \$5 million upon payment of the \$30 million no later than the year-end.

In December 2003 the Company agreed with Elan that, if the \$30 million minimum payment was not made by December 31, 2003, the present year-end deadline for debt repayment would be extended to March 31, 2004 in consideration of the payment to Elan of interest (calculated at 1% per month on the outstanding balance) and a one-off payment to Elan of \$1.5 million. Elan also agreed that the Company could retain a further \$2 million per month for the first three months of 2004 from the net proceeds from the sale of ADAB in order to fund the Company's operating deficit through the first quarter of 2004. Draw down of these funds was subject to the Company demonstrating to Elan's satisfaction that the Company has a reasonable prospect of consummating a transaction to settle the Elan debt by March 31, 2004.

Simultaneously with the closing of our asset purchase agreement with Valeant, we reached a full and final agreement with Elan regarding the settlement of our renegotiated outstanding financial obligations. Under the terms of this agreement with Elan the amount (\$24.4 million) then required to discharge our obligations to Elan was amended so that we would pay Elan approximately \$17.2 million in cash on closing of the Valeant transaction, plus a further payment of \$1 million on the successful completion of the Zelapar safety trials to discharge these obligations.

We also agreed to issue a \$5 million 5-year loan note to Elan with capital repayment as follows:

- \$1.5 million in January 2006;
- \$1.5 million in July 2007; and
- \$2 million in January 2009.

At Elan's option, the loan note can be repaid from proceeds Amarin receives from a \$5 million milestone payable by Valeant Pharmaceuticals International on the NDA approval of Zelapar. The loan note is also prepayable by us at any time, subject to a prepayment fee of \$250,000, and carries an interest rate of 8% per annum.

Additionally we agreed to issue 500,000 warrants to Elan priced at the average market closing price for our Ordinary Shares for the 30-day period prior to closing. As a result, Elan's fully diluted ownership in Amarin increased from 25.9% to 28.0%.

We closed the Valeant transaction on February 25, 2004. From the proceeds of this sale we made a payment to Elan of approximately \$17.2 million in partial payment of outstanding indebtedness and entered into the various agreements and instruments set out above.

### C. Interests of Experts and Counsel

Not applicable.

## Item 8 Financial Information

### A. Consolidated Statements and Other Financial Information

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

#### *Legal Proceedings*

#### **Permax Litigation**

In late 2002, Lilly as the holder of the NDA for Permax, received a recommendation from the FDA to consider making a change to the package insert for Permax based upon the very rare observance (less than 0.01%) of cardiac valvulopathy in patients taking Permax. While Permax has not been definitely proven as the cause of this condition, similar reports have been noted in patients taking other ergot-derived pharmaceutical products, of which Permax is an example. In early 2003, Lilly amended the package insert for Permax to reflect the risk of cardiac valvulopathy in patients taking Permax and also sent a letter to a number of US doctors describing

this potential risk. During 2003 and there have been less than 20 cases of VHD allegedly associated with Permax observed by Lilly, and only 3 have been pursued actively. Two of the three have been settled by mediation; the third remains an open lawsuit pending in Texas. There are 4 additional possible claims identified to Lilly and so far not pursued. Causation is not established but is consistent with other fibrotic side effects observed in Permax. The claims have been made against Lilly and our former subsidiary, Amarin Pharmaceuticals Inc. (API). API conducted all sales and marketing activities with respect to such product.

Upon closing arrangements on the sale of API to Valeant the Company agreed, without any admission of liability, to pay Lilly \$100,000 in respect of Lilly's costs and expenses to date incurred in handling the Permax cases. Additionally, Valeant and Lilly have agreed to apportion liability as between the two of them in respect of any new product liability claims in respect of Permax. Although we have not retained any liabilities of API in this regard, we cannot predict whether any future claimants will seek to impose liability on the Company on a theory of strict liability.

We cannot predict whether litigation will follow, or the outcome of any such litigation. To date no legal or arbitration proceedings have been commenced against Amarin Corporation plc in respect of Permax.

## Ivax

As a part of consummating our option rights in the transaction for Permax with Elan, we assumed the lead role in patent litigation brought by Elan in July 2001 against Ivax Corporation. In this case, Elan asserted the violation of two patents which it held as the exclusive US licensee of Lilly. Under the terms of a settlement agreement with Ivax in May 2003, Amarin and Lilly granted to Ivax a non-exclusive sublicense in the U.S. under the two patents at issue, beginning September 2, 2003, and continuing for the remaining life of the patents. In return, Ivax will make royalty payments to the Company to be shared between Amarin and Lilly, from the first six months' gross profit (net sales less cost of goods sold) from sales of any Ivax pergolide product under its Abbreviated New Drug Application (ANDA) for pergolide products, once approved by FDA.

## Other

We are not a party to any other 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 proceeding 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.

### Policy on Dividend Distributions

We have never paid dividends on the 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 the UK Companies Act 1985, 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 and only to the extent we have retained earnings, in each case determined on an unconsolidated basis. See Item 10 "Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Dividends."

## B. Significant Changes

Except as otherwise disclosed in this annual report in regard to the sale of our US subsidiary and certain assets, and the restructuring of our indebtedness to Elan, there has been no material change in our financial position since December 31, 2003.

## Item 9 The Offer and Listing

### A. Offer and Listing Details

The following table sets forth the range of high and low closing sale prices for our ADSs for the periods indicated, as reported by the Nasdaq National Market. These prices do not include retail mark-ups, markdowns, or commissions but give effect to a change in the number of Ordinary Shares represented by each ADS, implemented in both October 1998 and July 2002. Historical data in the table has been restated to take into account these changes.

Fiscal Year Ended	US\$ High	US\$ Low
December 31, 1999	12.75	1.00
December 31, 2000	8.50	3.75
December 31, 2001	27.97	5.00
December 31, 2002	21.00	2.76
December 31, 2003	4.81	1.39
Fiscal Year Ended December 31, 2002		
First Quarter	21.00	12.18
Second Quarter	13.67	7.30
Third Quarter	8.55	2.76
Fourth Quarter	5.80	2.89
Fiscal Year Ended December 31, 2003		
First Quarter	4.13	2.46
Second Quarter	4.81	2.57
Third Quarter	3.37	2.25
Fourth Quarter	2.83	1.39
Quarter Ended March 31, 2004 (through March 24, 2004)	3.50	1.35
September 2003	3.11	2.36
October 2003	2.83	2.63
November 2003	2.79	2.20
December 2003	2.39	1.39
January 2004	3.50	1.48
February 2004	2.35	1.62

On March, 24 2004, the closing price of our ADSs as reported on the Nasdaq National Market was US\$1.35 per ADS.

### B. Plan of Distribution

Not applicable.

### C. Markets

Our ADSs, which are evidenced by American Depositary Receipts, are traded on the Nasdaq National Market, the principal trading market for our securities, under the symbol "AMRN." There is no public trading market for our Ordinary Shares. Each ADS represents one Ordinary Share.

#### **D. Selling Shareholders**

Not applicable.

#### **E. Dilution**

Not applicable.

#### **F. Expenses of the Issue**

Not applicable.

### **Item 10 Additional Information**

#### **A. Share Capital**

Not applicable.

#### **B. Memorandum and Articles of Association**

##### ***Objects and Purposes***

We were formed as a private limited company under the Companies Act 1985 and reregistered as a public limited company on March 19, 1993 under registered number 02353920. Under article 4 of our memorandum of association, our objects are to carry on the business of a holding company and to carry on any other business in connection therewith as determined by the board of directors.

##### ***Directors***

##### ***Directors' Interests***

A director may serve as an officer or director of, or otherwise have an interest in, any company in which we have an interest. A director may not vote (or be counted in the quorum) on any resolution concerning his appointment to any office or any position from which he may profit, either with us or any other company in which we have an interest. A director is not prohibited from entering into transactions with us in which he has an interest, provided that all material facts regarding the interest are disclosed to the board of directors.

A director is not entitled to vote (or be counted in the quorum) on any resolution relating to a transaction in which he has an interest which he knows is material. However, this prohibition does not apply to any of the following matters:

- he or any other person receives a security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of us or any of our subsidiaries;
- a security is given to a third party in respect of a debt or obligation of us or any of our subsidiaries which he has himself guaranteed or secured in whole or in part;
- a contract or arrangement concerning an offer or invitation for our shares, debentures or other securities or those of any of our subsidiaries, if he subscribes as a holder of securities or if he underwrites or sub-underwrites in the offer;
- a contract or arrangement in which he is interested by virtue of his interest in our shares, debentures or other securities or by reason of any interest in or through us;
- a contract or arrangement concerning any other company (not being a company in which he owns 1% or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise;
- a proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme for both our directors and employees and those of any of our subsidiaries which does not give him, as a director, any privilege or advantage not accorded to the employees to whom the scheme or fund relates;
- an arrangement for the benefit of our employees or those of any of our subsidiaries which does not give him any privilege or advantage not generally available to the employees to whom the arrangement relates; and
- insurance which we propose to maintain or purchase for the benefit of directors or for the benefit of persons including directors.

##### ***Compensation of Directors***

Each director is to be paid a fee at such rate as may from time to time be determined by the board of directors and which shall not exceed £200,000 per annum or such higher amount determined by us. Any director who, at our request, goes or resides abroad for any purposes or services which in the opinion of the board of directors go beyond the ordinary duties of a director, may be paid such extra

remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board of directors may determine.

Any executive director will receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board of directors or, where there is a committee constituted for the purpose, such committee may determine, and either in addition to or in lieu of his remuneration as a director.

#### *Borrowing Powers of Directors*

The board of directors has the authority to exercise all of our powers to borrow money and issue debt securities. If at any time our securities should be listed on the Official List of the London Stock Exchange, our total indebtedness (on a consolidated basis) would be subject to a limitation of three times the total of paid up share capital and consolidated reserves.

#### *Retirement of Directors*

At every annual general meeting, one-third of the directors must retire from office. In determining which directors shall retire and stand, or not stand, for re-election, first, we include any director who chooses to retire and not face re-election and, second, we choose the directors who have served as directors for the longest period of time since their last election. A director who has elected to retire is not eligible for re-election. There is no age limit or requirement that directors retire at a specified age. However, if a director proposed for election or re-election has attained the age of 70, this fact must be disclosed in the notice of the meeting. Directors are not required to hold our securities.

#### *Description of Ordinary Shares*

Our authorized share capital is £100,000,000 divided into 95,000,000 Ordinary Shares and 5,000,000 Preference Shares. In the following summary, a “shareholder” is the person registered in our register of members as the holder of the relevant securities. For those Ordinary Shares that have been deposited in our American Depositary Receipt facility pursuant to our deposit agreement with Citibank N.A., Citibank or its nominee is deemed the shareholder.

#### *Dividends*

Holders of Ordinary Shares are entitled to receive such dividends as may be declared by the board of directors. All dividends are declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid. To date there have been no dividends paid to holders of Ordinary Shares.

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to us. In addition, the payment by the board of directors of any unclaimed dividend, interest or other sum payable on or in respect of an Ordinary Share or a Preference Share into a separate account shall not constitute us as a trustee in respect thereof.

#### *Rights in a Liquidation*

Holders of Ordinary Shares are entitled to participate in any distribution of assets upon a liquidation, subject to prior satisfaction of the claims of creditors and preferential payments to holders of outstanding Preference Shares.

#### *Voting Rights*

Voting at any general meeting of shareholders is by a show of hands, unless a poll is demanded. A poll may be demanded by:

- the chairman of the meeting;
- at least two shareholders entitled to vote at the meeting;
- any shareholder or shareholders representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to vote at the meeting; or
- any shareholder or shareholders holding shares conferring a right to vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

In a vote by a show of hands, every shareholder who is present in person at a general meeting has one vote. In a vote on a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which they are registered as the holder. The quorum for a shareholders’ meeting is a minimum of two persons, present in person or by proxy. To the extent the articles of association provide for a vote by a show of hands in which each shareholder has one vote, this differs from US law, under which each shareholder typically is entitled to one vote per share at all meetings.

Holders of ADSs are also entitled to vote by supplying their voting instructions to Citibank who will vote the Ordinary Shares represented by their ADSs in accordance with their instructions. The ability of Citibank to carry out voting instructions may be limited by practical and legal limitations, the terms of our articles and memorandum of association, and the terms of the Ordinary Shares on deposit. We cannot assure the holders of our ADSs that they will receive voting materials in time to enable them to return voting instructions to Citibank a timely manner.

Unless otherwise required by law or the articles of association, voting in a general meeting is by ordinary resolution. An ordinary resolution is approved by a majority vote of the shareholders present at a meeting at which there is a quorum. Examples of matters that can be approved by an ordinary resolution



include:

- the election of directors;
- the approval of financial statements;
- the declaration of final dividends;
- the appointment of auditors;
- the increase of authorized share capital; or
- the grant of authority to issue shares.

A special resolution or an extraordinary resolution requires the affirmative vote of not less than three-fourths of the eligible votes. Examples of matters that must be approved by a special resolution include modifications to the rights of any class of shares, certain changes to the memorandum or articles of association, or our winding-up.

### *Capital Calls*

The board of directors has the authority to make calls upon the shareholders in respect of any money unpaid on their shares and each shareholder shall pay to us as required by such notice the amount called on his shares. If a call remains unpaid after it has become due and payable, and the fourteen days notice provided by the board of directors has not been complied with, any share in respect of which such notice was given, may be forfeited by a resolution of the board.

### *Preference Shares*

The Preference Shares confer upon the holder the right to receive a fixed cumulative preferential dividend at the rate of 3% per annum and rank as to dividends in priority to any other shares issued by us. Each Preference Share is convertible into one Ordinary Share. The holders may not exercise the conversion rights for a period of two years following issuance, except with our approval. Holders of the Preference Shares are entitled to attend our general meetings and to vote in certain limited circumstances. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to us.

Upon our winding-up or otherwise, the Preference Shares shall rank in priority to any other shares for the time being in issue as regards the order of participation in our profits and assets. The assets available for distribution will be applied in repaying to the holders of the Preference Shares the amounts paid up on such Preference Shares including any premium paid or deemed paid thereon together with any applicable arrears and accruals of the fixed cumulative preferential dividend. If we decide our winding-up while any of the Preference Shares remain capable of conversion, any holder of the Preference Shares is entitled to request to be treated as if his conversion rights had been exercised on the date immediately before the operative date at the rate then applicable and to be paid a sum equal to the amount to which he would have become entitled in such winding-up if he had been the holder of such Ordinary Shares to which he would have become entitled by virtue of such conversion.

### *Pre-emptive Rights*

English law provides that shareholders have pre-emptive rights to subscribe to any issuances of equity securities that are or will be paid wholly in cash. These rights may be waived by a special resolution of the shareholders, either generally or in specific instances, for a period not exceeding five years. This differs from US law, under which shareholders generally do not have pre-emptive rights unless specifically granted in the certificate of incorporation or otherwise. Pursuant to resolutions passed at our annual general meeting on 25 July 2003, our directors are duly authorized during the period ending on 25 July 2008 to exercise all of our powers to allot our securities and to make any offer or agreement which would or might require such securities to be allotted after that date. The aggregate nominal amount of the relevant securities that may be allotted under the authority cannot exceed £77,068,114 (equivalent to 77,068,114 Ordinary Shares). Under these resolutions we are empowered to allot such Ordinary Shares as if English statutory pre-emption rights did not apply to such issuance and, therefore, without first offering such Ordinary Shares to our existing shareholders.

### *Redemption Provisions*

Subject to the UK Companies Act of 1985 and with the sanction of a special resolution, shares in us may be issued with terms that provide for mandatory or optional redemption. The terms and manner of redemption would be provided for by the alteration of our articles of association.

Subject to the UK Companies Act of 1985, we may also purchase in any manner the board of directors considers appropriate any of our own Ordinary Shares, Preference Shares or any other shares of any class (including redeemable shares) at any price.

### *Variation of Rights*

If at any time our share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the written consent of the holders of not less than 75% of the issued shares of the class, or pursuant to an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. At any such separate meeting the quorum shall be a minimum of two persons holding or representing by proxy one-third in nominal amount of the issued shares of the class, unless such separate meeting is adjourned, in which case the quorum at such adjourned meeting or any further adjourned meeting shall be one person. Each holder of shares of that class has one vote per share at such meetings.

### *Meetings of Shareholders*

The board of directors may call general meetings and general meetings may also be called on the requisition of our shareholders representing at least one tenth of the voting rights in general meeting pursuant to section 368 of the UK Companies Act 1985. Annual general meetings are convened upon advance notice of 21 days. Extraordinary general meetings are convened upon advance notice of 21 days or fourteen days depending on the nature of the business to be transacted.

Citibank will mail to the holders of ADSs any notice of shareholders' meeting received from us, together with a statement that holders will be entitled to instruct Citibank to exercise the voting rights of the Ordinary Shares represented by ADSs and information explaining how to give such instructions.

### **Limitations on Ownership**

There are currently no UK foreign exchange controls on the payment of dividends on our Ordinary Shares or the conduct of our operations. There are no restrictions under our memorandum and articles of association or under English law that limit the right of non-resident or foreign owners to hold or vote our Ordinary Shares, Preference Shares or ADSs.

### **Change of Control**

Save as expressly permitted by the UK Companies Act of 1985, we shall not give financial assistance, whether directly or indirectly, for the purposes of the acquisition of any of our shares or for reducing or discharging any liability incurred for the purpose of such acquisition.

If an offer is made to acquire more than half of our issued Ordinary Share capital and such offer has been recommended by the

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board, we will use reasonable endeavours to procure that a like offer is extended to the holders of the Preference Shares and that such offer remains open for not less than the acceptance period open to the holders of Ordinary Shares to enable the holders of Preference Shares to convert any or all of their Preference Shares and accept the offer if they wish to do so.

### **Disclosure of Interests**

Under English Law, any person who acquires an equity interest above a "notifiable percentage" must disclose certain information to us regarding the person's shares. The applicable threshold is currently 3%. The disclosure requirement applies to both persons acting alone or, in certain circumstances, with others. After a person's holdings exceed the "notifiable" level, similar notifications must be made when the ownership percentage figure increases or decreases by a whole number.

In addition, Section 212 of the UK Companies Act of 1985 gives us the authority to require certain disclosure regarding an equity interest if we know, or have reasonable cause to believe, that the shareholder is interested or has within the previous three years been interested in our share capital. Failure to supply the information required may lead to disenfranchisement under our articles of association of the relevant shares and a prohibition on their transfer and on dividend or other payments. Under the deposit agreement with Citibank pursuant to which the ADRs have been issued, a failure to provide certain information pursuant to a similar request may result in the forfeiture by the holder of the ADRs of rights to direct the voting of the Ordinary Shares underlying the ADSs and to exercise certain other rights with respect to the Ordinary Shares. The foregoing provisions differ from US law, which typically does not impose disclosure requirements on shareholders.

### **C. Material Contracts**

During the two years prior to the date of this annual report, we entered into the following material contracts outside of the ordinary course of business. Copies of these agreements are filed as exhibits to this annual report.

- Subscription Agreement and Registration Rights Agreement, dated as of January 27, 2003, by and among us and the investors named therein. On January 27, 2003 we entered into a number of subscription and registration rights agreements relating to a private placement of 6,093,728 Ordinary Shares with a group of accredited investors and management, raising gross proceeds to us of approximately \$21.2 million.
- In connection with the private placement, we signed an agreement letter, dated October 21, 2002, with Security Research Associates, Inc. Pursuant to this agreement, we appointed SRA as financial advisor and non-exclusive placement agent for the private placement, and agreed to pay to SRA commissions equal to 7% of the gross proceeds received from investors introduced by SRA to us plus five year warrants to acquire a certain number of our Ordinary Shares. On March 19, 2003, we entered into Warrant Agreements with designees of SRA to acquire a total of 313,234 Ordinary Shares at an exercise price of \$3.4785 per Ordinary Share. The warrants are not exercisable before January 27, 2004 and expire no later than January 26, 2008.
- Amended and Restated License and Supply Agreement, dated March 29, 2002 between Eli Lilly and Company and us. Pursuant to this agreement, Lilly has agreed to grant to us an exclusive paid-up license to market and distribute Permax in the US. We are obligated to purchase from Lilly all of our Permax requirements at a price specified in the agreement. See Item 7 — Major Shareholders and Related Party Transactions — Related Party Transactions.”
- Master Agreement, dated January 27, 2003, between us and certain members of the Elan group of companies. The parties agreed to amend the Permax option agreement, the Zelapar option agreement and the loan agreement. We have also agreed to apply the proceeds resulting from the private placement in the manner set out in this agreement and to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell certain of our assets and to apply the net proceeds from such sales in the manner set out in this agreement. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”
- In connection with the master agreement, we, Elan International Services Ltd. and Monksland Holdings BV entered into an Agreement, dated January 27, 2003, relating to the conversion of Preference Shares and certain restrictions on dealing. The same parties also entered into Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, amending the Registration Rights Agreement, dated October 21, 1998 between us and Monksland. Pursuant to these agreements, among other things, Elan converted 2,000,000 Preference Shares into 2,000,000 Ordinary Shares. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

- Share Subscription and Purchase Agreement dated October 28, 2003 with Watson Pharmaceuticals, Inc. providing for the sale of Amarin Development AB (ADAB), our Swedish drug development subsidiary. Under the terms of the sale agreement Watson agreed to pay us approximately \$15 million in cash for the stock of ADAB and to settle inter-company debts owed by ADAB to the Company. See Item 4A – “History and Development of the Company.”
- Asset Purchase Agreement dated February 11, 2004 with Valeant Pharmaceuticals International, and Amendment No. 1 thereto dated February 25, 2004, which together provide for the sale to Valeant of our US subsidiary, Amarin Pharmaceuticals, Inc., and our rights to Permax, Zelapar and the primary care portfolio at a purchase price of \$38 million paid at closing and \$8 million in contingent milestone payments. See Item 4A – “History and Development of the Company.”
- In connection with the Asset Purchase Agreement with Valeant, Amarin entered into a Development Agreement dated February 25, 2003 pursuant to which Amarin is responsible for the implementation of certain clinical studies relating to Zelapar. Amarin is not required to incur more than an aggregate of \$2.5 million in costs in performing its obligations under this agreement, and Valeant Pharmaceuticals International has agreed to pay all costs and expenses incurred by Amarin thereunder in excess of \$2.5 million. See Item 4A – “History and Development of the Company.”
- Settlement Agreement dated 25th February 2004, 2004 with Elan and certain affiliates thereof, providing for the restructuring of all of Amarin’s outstanding obligations to Elan. In connection with the Settlement Agreement, Amarin issued notes in the aggregate principal amount of \$5 million, bearing interest at 8% per annum with a maturity date of 25<sup>th</sup> February 2009. Also in connection with the Settlement Agreement, Amarin issued a warrant exercisable for 500,000 Ordinary Shares. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions” and Item 4A – “History and Development of the Company.”
- Amended and Restated Master Agreement dated 4th August 2003 with Elan and certain affiliates thereof. Pursuant to this agreement Amarin’s obligation to pay principal and interest in respect of its outstanding indebtedness to Elan, as well as its obligation with respect to deferred purchase payments in connection with the acquisition of Permax rights, were deferred until December 31, 2003, subject to the conditions set out in the Master Agreement including Amarin’s continuing obligation to apply at least 90% of the net proceeds of any sale of its Swedish business or legacy products or any equity financing in the manner set out in the agreement. Amarin also agreed that if such net proceeds exceed \$40 million, half of the amount remaining after repayment of the Elan indebtedness would be paid to Elan in consideration of a reduction of royalties payable by Amarin under its Zelapar development agreement. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions” and Item 4A — “History and Development of the Company.”
- In connection with the Amended and Restated Master Agreement of August 4, 2003, Amarin entered into the following agreements: (i) Amended and Restated Option Agreement with EPIL dated August 4, 2003, which required Amarin to pay a milestone of \$10 million in Ordinary Shares after net sales of Zelapar reached \$20 million for any 12 month period, as well as royalties of 12.5% on net sales of Zelapar; (ii) Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement with Elan, which restructured Amarin’s payment obligations relating to Permax; (iii) Deed of Variation No. 4, dated August 4, 2003, to the Loan Agreement dated 28 September 2001 between Amarin and Elan Pharma International Limited (EPIL), under which the repayment schedule for Amarin’s indebtedness to EPIL was restructured; and (iv) Amendment Agreement No. 1, dated August 4, 2003, to the Amended and Restated Asset Purchase Agreement with Elan, which restructured Amarin’s obligation to make deferred payments in connection with its purchase of certain assets from Elan in 1999. The Amended and Restated Master Agreement and the related agreements described in this paragraph are no longer in effect, and have either been assumed by Valeant Pharmaceuticals International as a result of its acquisition of rights to Permax and Zelapar, or superseded as a result of the February 25, 2003 Settlement Agreement with Elan and the related agreements described above.
- Amendment Agreement dated December 23, 2003, between the Company and Elan and certain affiliates thereof. This agreement amended the Amended and Restated Master Agreement of August 4, 2003 by extending from December 31, 2003 to March 31, 2004 the deadline for repayment of Amarin’s obligations to Elan, subject to the incurrence of additional indebtedness of \$1.5 million if repayment extended beyond the original December 31 date. The Company and Elan Pharmaceuticals, Inc. also entered into a Bridging Loan Agreement dated December 23, 2003 pursuant to which Amarin could borrow up to \$6 million from Elan Pharmaceuticals in three monthly tranches of \$2 million each. No interest would accrue on outstanding amounts until March 31, 2004, with the rate thereafter to be at LIBOR plus 5 per cent per annum. The foregoing agreements are no longer in effect and have been superseded as a result of the February 25, 2003 Settlement Agreement with Elan and the related agreements described above.
- In connection with the Amended and Restated Master Agreement dated August 4, 2003, Amarin also entered into a Debenture of the same date in favor of Elan as trustee, granting Elan a charge over certain property and rights as set out therein. The Debenture was amended pursuant to a Debenture Amendment Agreement dated December 23, 2003, which amendment reflected the extension of Amarin’s payment obligations pursuant to the Amended and Restated Master Agreement of the same date. The Debenture was further amended pursuant to Debenture Amendment Agreement No. 2 dated February 25, 2004, which amendment reflected the restructuring of Amarin’s debt obligations pursuant to the Settlement Agreement of the same date.
- Agreement dated December 23, 2003 between the Company and Elan Pharma International Limited, amending the Amended and Restated Option Agreement relating to Zelapar. This agreement Amarin set forth the terms pursuant to which the Company agreed to be responsible for the continued development of Zelapar. This agreement is no longer in effect and has been superseded as a result of the asset sale to Valeant Pharmaceuticals International.
- Inventory Buy Back Agreement dated March 18, 2004 between the Company and Swiftwater Group plc, pursuant to which Swiftwater agreed to assist the Company in effecting the repurchase of product inventory as required pursuant to the Asset Purchase Agreement with Valeant Pharmaceuticals International. Swiftwater’s fee for such services is payable by Valeant.

## **D. Exchange Controls**

There are currently no English laws, decrees, regulations or other legislation that may affect the export or import of capital, including the availability of cash and cash equivalents for use by the Company, or that affect the remittance of dividends, interest or other payments to non-UK resident holders of Ordinary Shares or ADSs.

## **E. Taxation**

### ***UK Tax Matters***

The following statements are intended only as a general guide to the UK tax consequences of the acquisition, ownership and disposition of our Ordinary Shares including shares represented by ADSs evidenced by American Depositary Receipts. This summary applies to you only if you are a beneficial owner of Ordinary Shares or ADSs and you are:

- an individual citizen or resident of the US;
- a corporation organized under the laws of the US or any state thereof or the District of Columbia; or
- otherwise subject to US federal income tax on a net income basis in respect of the Ordinary Shares or ADSs.

This summary applies only to holders who will hold our Ordinary Shares or ADSs as capital assets. This summary is based:

- upon current UK tax law and UK Inland Revenue practice and which may be subject to change, perhaps with retroactive effect; and
- in part upon representations of Citibank, N.A., as depositary, and assumes that each obligation provided for in or otherwise contemplated by the deposit agreement between us and Citibank and any related agreement will be performed in accordance with its respective terms.

The following summary is of a general nature and does not address all of the tax consequences that may be relevant to you in light of your particular situation. For example, this summary does not apply to US expatriates, insurance companies, investment companies, tax-exempt organizations, financial institutions, dealers in securities, broker-dealers, investors that use a mark-to-market accounting method, holders who hold ADSs or Ordinary Shares as part of hedging, straddle or conversion transactions or holders who own directly, indirectly or by attribution, 10% or more of the voting power of our issued share capital.

In addition, the following summary of UK tax considerations does not, except where indicated otherwise, apply to you if:

- you are resident or, in the case of an individual, ordinarily resident in the UK for UK tax purposes;
- your holding of ADSs or shares is effectively connected with a permanent establishment in the UK through which you carry on business activities or, in the case of an individual who performs independent personal services, with a fixed base situated therein; or
- you are a corporation which, alone or together with one or more associated corporations, controls, directly or indirectly, 10% or more of our issued voting share capital.

You should consult your own tax advisers as to the particular tax consequences to you under UK, US federal, state and local and other foreign laws, of the acquisition, ownership and disposition of ADSs or Ordinary Shares.

### ***Taxation of Dividends and Distributions***

Under current UK taxation legislation, no tax will be withheld by us at source from cash dividend payments. A holder of Ordinary Shares or ADSs should consult his own tax adviser concerning his tax liabilities on dividends received from us.

### ***UK Taxation of Capital Gains***

You will not ordinarily be liable for UK tax on capital gains realized on the disposal of Ordinary Shares or ADSs, unless, at the time of the disposal, you carry on a trade, including a profession or vocation, in the UK through a branch or agency and those Ordinary Shares or ADSs are, or have been, held or acquired for the purposes of that trade or branch or agency.

A holder of Ordinary Shares or ADSs who is an individual and who has on or after March 17, 1998 ceased to be resident or ordinarily resident for tax purposes in the UK, but who again becomes resident or ordinarily resident in the UK within a period of less than five years and who disposes of Ordinary Shares or ADSs during that period may also be subject to UK tax on capital gains, notwithstanding that he is not resident or ordinarily resident in the UK at the time of the disposal.

It should be noted that final draft legislation has been published which specifies that certain disposals of assets (which could include the Ordinary Shares and ADSs) will give rise to chargeable gains that are to be included in the computation of the profits of a non-UK resident company. The provisions will only apply where the disposal is made while the non-UK resident company is carrying on a trade in the UK through a "permanent establishment" (as defined by the final draft legislation) in the UK. The legislation is intended to apply to foreign companies' accounting periods starting on or after January 1, 2003.

Ordinary Shares or ADSs beneficially owned by an individual may be subject to UK inheritance tax on the death of the individual or, in some circumstances, if the Ordinary Shares or ADSs are the subject of a gift, including a transfer at less than full market value, by that individual (and particular rules apply to gifts where the donor reserves or retains some benefit). Inheritance tax is not generally chargeable on gifts to individuals or on some types of settlement made more than seven years before the death of the donor. Special rules apply to close companies and to trustees of settlement who hold Ordinary Shares or ADSs. Holders of Ordinary Shares or ADSs should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Ordinary Shares or ADSs through trust arrangements.

#### *UK Stamp Duty and Stamp Duty Reserve Tax*

UK stamp duty will (subject to specific exceptions) be payable at the rate of 1.5% (rounded up to the nearest £5) of the value of shares in registered form on any instrument pursuant to which shares are transferred:

- to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services; or
- to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts.

Stamp duty reserve tax, at the rate of 1.5% of the value of the shares, could also be payable in these circumstances, and on the issue to such a person, but no stamp duty reserve tax will be payable if stamp duty equal to that stamp duty reserve tax liability is paid. In circumstances where stamp duty is not payable on the transfer of shares in registered form at the rate of 1.5%, such as where there is no chargeable instrument, stamp duty reserve tax will be payable to bring the charge up to 1.5% in total. Stamp duty or stamp duty reserve tax, as the case may be, will therefore be payable as a result of the issue of ADSs evidenced by American Depositary Receipts at 1.5% of the value of the Ordinary Shares underlying the ADSs at the time the Ordinary Shares are transferred to the depositary bank or its nominee.

No UK stamp duty will be payable on the acquisition of any ADS or on any subsequent transfer of an ADS, provided that the transfer and any subsequent instrument of transfer remains at all times outside the UK and that the instrument of transfer is not executed in or brought into the UK and the transfer does not relate to any matter or thing to be done in the UK. An agreement to transfer an ADS will not give rise to stamp duty reserve tax.

Subject to some exceptions, a transfer or sale of Ordinary Shares in registered form will attract ad valorem UK stamp duty at the rate of 0.5% (rounded up to the nearest £5) of the dutiable amount, usually the cash consideration for the transfer. Generally, ad valorem stamp duty applies neither to gifts nor on a transfer from a nominee to the beneficial owner, although in cases of transfers where no ad valorem stamp duty arises, a fixed UK stamp duty of £5 may be payable. Stamp duty reserve tax at a rate of 0.5% of the amount or value of the consideration for the transfer may be payable on an unconditional agreement to transfer shares. If, within six years of the date of such agreement, an instrument transferring the shares is executed and stamped, any stamp duty reserve tax paid may be repaid or, if it has not been paid, the liability to pay such tax, but not necessarily interest and penalties, would be cancelled. Stamp duty reserve tax is chargeable whether such agreement is made or effected in the UK or elsewhere and whether or not any party is resident or situated in any part of the UK.

The statements in this paragraph headed “UK Stamp Duty and Stamp Duty Reserve Tax” summarize the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries, market makers, brokers, dealers and persons connected with depositary arrangements and clearance services and certain categories of person may be liable to stamp duty or stamp duty reserve tax at higher rates or may, although not primarily liable for the duty or tax, be required to notify and account for it under the UK Stamp Duty Reserve Tax Regulations 1996.

#### *Certain US Federal Income Tax Considerations*

Subject to the limitations described below, the following generally summarizes certain material US federal income tax consequences to a US Holder (as defined below) of the acquisition, ownership and disposition of Ordinary Shares. US Holders of ADSs will be treated for US federal income tax purposes as owners of the Ordinary Shares underlying the ADSs. Accordingly, except as noted, the US federal income tax consequences discussed below apply equally to US Holders of ADSs and Ordinary Shares. This discussion is limited to US Holders who are beneficial owners of the Ordinary Shares, and who hold their Ordinary Shares as capital assets, within the meaning of the US Internal Revenue Code of 1986, as amended, which we may refer to as the “Code”. For purposes of this summary, a “US Holder” is a beneficial owner of Ordinary Shares that does not maintain a “permanent establishment” or “fixed base” in the UK, as such terms are defined in the double taxation convention between the US and UK and that is, for US federal

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income tax purposes,

- a citizen or resident of the US;
- a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organized in the US or under the laws of the US or of any state thereof or the District of Columbia;
- an estate, the income of which is includible in gross income for US federal income tax purposes regardless of its source; or
- a trust, if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Ordinary Shares, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships and partners in such partnerships should consult their tax advisers about the US federal income tax consequences of owning and disposing of Ordinary Shares.

This summary is for general information purposes only. It does not purport to be a comprehensive description of all of the US federal income tax considerations that may be relevant to each US Holder’s decision in regard to the Ordinary Shares. This discussion also does not address any aspect of US federal gift or estate tax, or any state, local or non-US tax laws. Prospective owners of Ordinary Shares who are US Holders are advised to consult their own

tax advisers with respect to the US federal, state and local tax consequences, as well as to non-US tax consequences, of the acquisition, ownership and disposition of the Ordinary Shares applicable to their particular tax situations.

This discussion is based on current provisions of the Code, current and proposed US treasury regulations promulgated thereunder, the double taxation convention between the US and UK entered into force on March 31, 2003 and administrative and judicial decisions, each as of the date hereof, all of which are subject to change or differing interpretation, possibly on a retroactive basis. The new convention replaces the double taxation convention between the US and the UK entered into force on April 24, 1980. The new convention is effective, in respect of taxes withheld at source, for amounts paid or credited on or after May 1, 2003. Other provisions of the new convention will take effect on certain other dates. A US Holder would, however, be entitled to elect to have the old convention apply in its entirety for a period of twelve months after the effective dates of the new convention. The following discussion assumes that US holders are residents of the US for purposes of both the old convention and the new convention and are entitled to the benefits of these conventions.

This discussion does not address all aspects of US federal income taxation that may be relevant to a particular US Holder based on such Holder's individual circumstances. In particular, this discussion does not address the potential application of the alternative minimum tax nor does it address the tax treatment of shareholders, partners or beneficiaries of a holder of Ordinary Shares. In addition, this discussion does not address the US federal income tax consequences to US Holders that are subject to special treatment, including broker-dealers, including dealers in securities or currencies; insurance companies; taxpayers that have elected mark-to-market accounting; tax-exempt organizations; financial institutions or "financial services entities"; taxpayers who hold Ordinary Shares as part of a straddle, hedge or conversion transaction; US Holders owning directly, indirectly or by attribution at least 10% of our voting power; taxpayers whose functional currency is not the US dollar; certain expatriates or former long-term residents of the US; and taxpayers who acquired their Ordinary Shares as compensation.

**You should consult your own tax advisers as to the particular tax consequences to you under UK, US federal, state and local and other foreign laws, of the acquisition, ownership and disposition of ADSs or Ordinary Shares.**

### *Taxation of Dividends*

#### General

Subject to the passive foreign investment company rules discussed below, the amount of any distributions (including, provided certain elections are made, as discussed in "— UK Withholding Tax/Foreign Tax Credits" below, the full tax credit amount deemed received) paid out of current and/or accumulated earnings and profits, as determined under US tax principles, will be included in the gross income of a US Holder on the day such distributions are actually or constructively received and will be characterized as ordinary income for US federal income tax purposes. To the extent that a dividend distribution exceeds our current and accumulated earnings

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and profits, it will be treated as a non-taxable return of capital to the extent of a US Holder's adjusted basis in the Ordinary Shares, and thereafter as capital gain. We do not currently maintain calculations of our earnings and profits under US tax principles. Dividends paid by us to corporate US Holders will not be eligible for the dividends-received deduction that might otherwise be available if such dividends were paid by a US corporation.

#### Foreign Currency Considerations

Distributions paid by us in pounds sterling will be included in a US Holder's income when the distribution is actually or constructively received by the US Holder. The amount of the dividend distribution includible in the income of a US Holder will be the US dollar value of the pounds sterling, determined by the spot rate of exchange on the date when the distribution is actually or constructively received by the US Holder, regardless of whether the pounds sterling are actually converted into US dollars at such time. If the pounds sterling received as a dividend distribution are not converted into US dollars on the date of receipt, then a US Holder may realize exchange gain or loss on a subsequent conversion of such pounds sterling into US dollars. The amount of any gain or loss realized in connection with a subsequent conversion will be treated as ordinary income or loss and generally will be treated as US-source income or loss for foreign tax credit purposes.

#### *UK Withholding Tax/Foreign Tax Credits*

A US Holder that elects to receive benefits under the old convention is, in principle, entitled to claim a refund from the UK Inland Revenue for (i) the amount of the tax credit that a UK resident individual would be entitled to receive with respect to a dividend payment, which we refer to as the "Tax Credit Amount", reduced by (ii) the amount of UK withholding tax, which we refer to as "UK Notional Withholding Tax", imposed on such dividend payment under the old convention. The Tax Credit Amount will equal that amount of UK Notional Withholding Tax imposed on dividends paid by us, therefore, no such refund is available. However, a US Holder may be entitled to claim a foreign tax credit for the amount of UK Notional Withholding Tax associated with a dividend paid by us by filing a Form 8833 in accordance with US Revenue Procedure 2000-13. US Holders that file Form 8833 will be treated as receiving an additional dividend from us equal to the Tax Credit Amount (unreduced by the UK Notional Withholding Tax), which additional dividend must be included in the US Holder's gross income, and will be treated as having paid the applicable UK Notional Withholding Tax due under the old convention. For purposes of calculating the foreign tax credit, dividends paid on the Ordinary Shares will be treated as non-US source income and generally will constitute "passive income" or, in the case of certain US Holders, "financial services income." In lieu of claiming a foreign tax credit, a US Holder may be eligible to claim a deduction for foreign taxes paid in a taxable year. However, a deduction generally does not reduce a US Holder's US federal income tax liability on a dollar-for-dollar basis like a tax credit.

Under the new convention, the Tax Credit Amount and UK Notional Withholding Tax described above will no longer apply to US Holders. The UK does not currently apply a withholding tax on dividends under its internal tax laws. Were such withholding imposed in the UK, as permitted under the new convention, the UK generally will be entitled to impose a withholding tax at a rate of 15% on dividends paid to US Holders. A US Holder who is subject to such withholding should be entitled to a credit for such withholding, subject to applicable limitations, against such US Holder's US federal income tax liability.

The rules relating to foreign tax credits are complex and US Holders are urged to consult their tax advisers to determine whether and to what extent a foreign tax credit might be available in connection with dividends paid on the Ordinary Shares.

#### *Taxation of the Sale or Exchange of Ordinary Shares; Surrender of ADSs for Ordinary Shares*

Subject to the passive foreign investment rules described below, a US Holder generally will recognize capital gain or loss on the sale or exchange of the Ordinary Shares in an amount equal to the difference between the amount realized in such sale or exchange and the US Holder's adjusted tax basis in such Shares. Such capital gain or loss will be long-term capital gain or loss if a US Holder has held the Ordinary Shares for more than one year and generally will be US-source income for foreign tax credit purposes. Long-term capital gains realized by an individual US Holder on a sale or exchange of Ordinary Shares are generally subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A US Holder that receives foreign currency upon the sale or exchange of the Ordinary Shares generally will realize an amount equal to the US dollar value of the foreign currency on the date of sale (or, if Ordinary Shares are traded on an established securities market, in the case of cash basis tax payers and electing accrual basis taxpayers, the settlement date). A US Holder will have a tax basis in the foreign currency received equal to the US dollar amount realized. Any gain or loss realized by a US Holder on a subsequent conversion or other disposition of foreign currency will be ordinary income or loss and will generally be US-source

income for foreign tax credit purposes.

The surrender of ADSs for the underlying Ordinary Shares will not be a taxable event for US federal income tax purposes and US Holders will not recognize any gain or loss upon such an exchange.

#### *PFIC Rules*

Certain adverse US tax consequences apply to a US shareholder in a company that is classified as a passive foreign investment company, which is referred to herein as a PFIC. We will be classified as a PFIC in a particular taxable year if either (i) 75% or more of our gross income is passive income; or (ii) the average percentage of the value of our assets that produce or are held for the production of passive income is at least 50%. Cash balances, even if held as working capital, are considered to be passive.

Because we will receive interest income and may receive royalties, we may be classified as a PFIC under the income test described above. In addition, as a result of our cash position, we may be classified as a PFIC under the asset test in the event that the price of the Ordinary Shares declines substantially. We will monitor our status and will, promptly following the end of any taxable year for which we determine we were a PFIC, notify US holders of such status.

If we were a PFIC in any year during which a US Holder owned Ordinary Shares, the US Holder would generally be subject to special rules (regardless of whether we continued to be a PFIC) with respect to (i) any "excess distribution" (generally, distributions received by the US Holder in a taxable year in excess of 125% of the average annual distributions received by such Holder in the three preceding taxable years, or, if shorter, such Holder's holding period) and (ii) any gain realized on the sale or other disposition of Ordinary Shares. Under these rules:

- the excess distribution or gain would be allocated rateably over the US Holder's holding period;
- the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the prior taxable years would be subject to tax at the highest rate of tax in effect for the taxpayer for that year and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such prior taxable year.

US Holders who own ADSs (but not Ordinary Shares) generally should be able to avoid the interest charge described above by making a mark to market election with respect to such ADSs, provided that the ADSs are "marketable." The ADSs are marketable if they are regularly traded on certain US stock exchanges, or on a foreign stock exchange if:

- the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located;
- the foreign exchange has trading volume, listing, financial disclosure, and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open market, and to protect investors;
- the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and
- the rules of the exchange effectively promote active trading of listed stocks.

For purposes of these regulations, the ADSs will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least fifteen days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. If a US Holder makes a mark-to-market election, it will be required to include as ordinary income the excess of the fair market value of such ADSs at year-end over its basis in those ADSs. In addition, any gain it recognizes upon the sale of such ADSs will be taxed as ordinary income in the year of sale. US Holders should consult their tax advisers regarding the availability of the mark to market election.

A US Holder of an interest in a PFIC can sometimes avoid the interest charge described above by making a "qualified electing fund" or "QEF" election to be taxed currently on its share of the PFIC's undistributed ordinary income. Such election must be based on

information concerning the PFIC's earnings provided by the relevant PFIC to investors on an annual basis. We will make such information available to US Holders upon request, and consequently US Holders will be able to make a QEF election, if we determine that we are a PFIC in any taxable year.





US\$ debt (1):								
Variable Rate of LIBOR + 2%	25.0	—	—	—	—	—	25.0	25.0
Interest free (1)	6.5	—	—	—	—	—	6.5	6.5
US\$ Deferred consideration (1):								
Interest free	3.9	—	—	—	—	—	3.9	3.9

Notes:

(1) In February 2004, this debt was restructured. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

## Item 12 Description of Securities Other than Equity Securities

Not applicable.

## PART II

## Item 13 Defaults, Dividend Arrearages and Delinquencies

none

## Item 14 Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

## Item 15 Controls and Procedures

During the year 2003 we have enhanced our internal control processes to include gathering and using externally sourced inventory and demand data. Externally sourced inventory information is not readily available and when available is not necessarily accurate or verifiable.

As of the end of the fiscal year ended December 31, 2003, we conducted an evaluation (under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer), pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended, of the effectiveness of the design and operation of our disclosure controls and procedures.

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In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that as of the evaluation date such disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

During the fiscal year ended December 31, 2003 there have not been any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## Item 16

### Item 16A Audit Committee Financial Expert

Our Board of Directors has determined that John Groom, a member of our audit committee, is an audit committee financial expert.

### Item 16B Code of Ethics

We have adopted a written Code of Ethics that applies to all employees and executive officers, including our Chief Executive Officer and Chief Financial Officer. A copy of our Code of Ethics has been filed as Exhibit 11.1 to this annual report.

### Item 16C Principal Accountant Fees and Services

PricewaterhouseCoopers LLP has served as our independent public auditor for each of the fiscal years ended December 31, 2002 and 2003 and its predecessor firm, PricewaterhouseCoopers served as our independent public auditor for the year ended December 31, 2001.

The following table sets forth the aggregate fees billed by PricewaterhouseCoopers LLP for professional services in each of the last two fiscal years:

	2002 (\$'000)	2003 (\$'000)
Audit Fees	190	157
Audit-related fees	75	255
Tax Fees	24	25
All other fees	110	90
Total	399	527

Audit fees comprise the work undertaken in auditing the Group and issuing an audit opinion on its UK statutory accounts. Audit related fees comprise work associated with SEC regulatory compliance and reviews of the Group’s quarterly earnings. Tax fees comprise work relating to tax filing compliance. Other fees comprise work relating to tax advisory services.

## Item 16D Exemptions from the Listing Standards for Audit Committees

Not Applicable.

## PART III

### Item 17 Financial Statements

We are furnishing financial statements pursuant to the instructions of Item 18 of Form 20-F.

### Item 18 Financial Statements

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

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### Item 19 Exhibits

Exhibits filed as part of this annual report:

- 1.1 Memorandum of Association of the Company (10)
- 1.2 Articles of Association of the Company (10)
- 2.1 Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depository, and all holders from time to time of American Depositary Receipts issued thereunder (1)
- 2.2 Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depository, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
- 2.3 Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depository, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
- 2.4 Form of Ordinary Share certificate (10)
- 2.5 Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
- 2.6 Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V. (10)
- 2.7 Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
- 2.8 Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
- 2.9 Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
- 2.10 Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
- 2.11 Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein (10) (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)

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- 2.12 Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein (10) (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
- 4.1 Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company (10)
- 4.2 Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company (10)
- 4.3 License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
- 4.4 Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
- 4.5 Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company (10)
- 4.6 Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
- 4.7 Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
- 4.8 Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company (10)†
- 4.9 Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company (10)
- 4.10 Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
- 4.11 Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta

- 4.12 Pharmaceuticals Corporation and the Company (7)
- 4.12 Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. And the Company (7)
- 4.13 Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
- 4.14 Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited (10)
- 4.15 Deed of Variation No. 2, dated December 23, 2002, between The Company and Elan Pharma International Limited (10)
- 4.16 Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited (10)
- 4.17 The Company 2002 Stock Option Plan (9)
- 4.18 Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc. (10)
- 4.19 Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
- 4.20 Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company(10)

- 4.21 Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.(10) (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
- 4.22 Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann — La Roche Ltd., Hoffmann — La Roche Inc And the Company(10)†
- 4.23 Share Subscription and Purchase Agreement dated October 28, 2003 among the Company, Amarin Pharmaceuticals Company Limited, Watson Pharmaceuticals, Inc. and Lagrummet December NR 911 AB (under name change to WP Holdings AB)\*
- 4.24 Asset Purchase Agreement dated February 11, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International\*†
- 4.25 Amendment No. 1 to Asset Purchase Agreement dated February 25, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International\*
- 4.26 Development Agreement dated February 25, 2004 between the Company and Valeant Pharmaceuticals International\*
- 4.27 Settlement Agreement dated February 25, 2004 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company\*
- 4.28 Debenture dated August 4, 2003 made by the Company in favour of Elan Corporation plc as Trustee\*
- 4.29 Debenture Amendment Agreement dated December 23, 2003 between the Company and Elan Corporation plc as Trustee\*
- 4.30 Debenture Amendment Agreement No. 2 dated February 24, 2004 between the Company and Elan Corporation plc as Trustee\*
- 4.31 Loan Instrument dated February 25, 2004 executed by Amarin in favor of Elan Pharma International Limited\*
- 4.32 Amended and Restated Master Agreement dated August 4, 2003 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company\*(11)
- 4.33 Amended and Restated Option Agreement dated August 4, 2003 between the Company and Elan Pharma International Limited\*(11)
- 4.34 Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement between Elan Pharmaceuticals, Inc. and the Company\*(11)
- 4.35 Deed of Variation No. 4, dated August 4, 2003, to Loan Agreement between the Company and Elan Pharma International Limited\*(11)
- 4.36 Amendment Agreement No. 1, dated August 4, 2003, to Amended and Restated Asset Purchase Agreement among Elan International Services, Ltd., Elan Pharmaceuticals, Inc. and the Company\*(11)
- 4.37 Warrant dated February 25, 2004 issued by the Company in favor of the Warrant Holders named therein\*
- 4.38 Amendment Agreement dated December 23, 2003, between Elan Corporation plc, Elan Pharma International Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company\*(11)
- 4.39 Bridging Loan Agreement dated December 23, 2003 between the Company and Elan Pharmaceuticals, Inc. \*(11)
- 4.40 Agreement dated December 23, 2003 between the Company and Elan Pharma International Limited, amending the Amended and Restated Option Agreement dated August 4, 2003\*(11)
- 4.41 Inventory Buy Back Agreement dated March 18, 2004 between the Company and Swiftwater Group LLC\*†

- 8.1 Subsidiaries of the Company\*
- 11.1 Code of Ethics\*
- 12.1 Certification of Richard A. B. Stewart required by Rule 15d-14(a) of the Securities Exchange Act of 1934,

- as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*
- 12.2 Certification of Ian R. Garland required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*
- 13.1 Certification of Richard A. B. Stewart required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*
- 13.2 Certification of Ian Garland required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*

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\* Filed herewith

† Confidential treatment requested (the confidential portions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission)

- (1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.
- (2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.
- (3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.
- (4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.
- (5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.
- (6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.
- (7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.
- (8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.
- (9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.
- (10) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.
- (11) These agreements are no longer in effect as a result of superseding agreements entered into by the Company.

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## SIGNATURES

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

### AMARIN CORPORATION PLC

By: /s/ RICHARD A. B. STEWART

Richard A. B. Stewart  
Chief Executive Officer

Date: March 31, 2004

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### Report of independent accountants

To the Board of Directors and Shareholders of  
Amarin Corporation plc

In our opinion, the accompanying balance sheets and the related consolidated profit and loss accounts, statements of total recognised gains and losses, reconciliations of movements in shareholders' funds and cashflow statements present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2003, December 31, 2002 and December 31, 2001, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our

audits of these statements in accordance with auditing standards generally accepted in the United States of America and in the United Kingdom, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 40 to the consolidated financial statements.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors

Cambridge, England  
31 March 2004

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### Consolidated profit and loss account for the year ended 31 December 2003

	Note	Pre - exceptional items 2003 \$'000	Exceptional items (note 3) 2003 \$'000	Total 2003 \$'000	Total 2002 \$'000	Total 2001 \$'000
<b>Turnover</b>						
Continuing operations		107	—	107	113	96
Discontinued operations		17,882	(10,624)	7,258	65,328	62,935
	4	17,989	(10,624)	7,365	65,441	63,031
<b>Cost of sales</b>						
Continuing operations		—	—	—	—	—
Discontinued operations		(7,232)	(4,680)	(11,912)	(30,099)	(25,337)
	5	(7,232)	(4,680)	(11,912)	(30,099)	(25,337)
<b>Gross profit/(loss)</b>						
Continuing operations		107	—	107	113	96
Discontinued operations		10,650	(15,304)	(4,654)	35,229	37,598
		10,757	(15,304)	(4,547)	35,342	37,694
<b>Operating expenses</b>						
Continuing operations		(6,200)	—	(6,200)	(6,130)	(4,358)
Discontinued operations		(25,479)	(2,595)	(28,074)	(61,842)	(38,212)
	6	(31,679)	(2,595)	(34,274)	(67,972)	(42,570)
<b>Operating (loss)</b>						
Continuing operations				(6,093)	(6,017)	(4,262)
Discontinued operations				(32,728)	(26,613)	(614)
				(38,821)	(32,630)	(4,876)
<b>Exceptional income/restructuring</b>						
Discontinued operations	12			—	1,077	1,183
<b>Profit/(loss) on disposal of operations</b>						
Discontinued operations	9			13,076	—	(1,439)
<b>(Loss) on ordinary activities before interest</b>						
Continuing operations				(6,093)	(6,017)	(4,262)
Discontinued operations				(19,652)	(25,536)	(870)
				(25,745)	(31,553)	(5,132)
Interest receivable and similar income	10			65	390	881
Interest payable and similar charges	11			(900)	(2,349)	(477)
<b>(Loss) on ordinary activities before taxation</b>						
Tax on (loss) on ordinary activities	13			(26,580)	(33,512)	(4,728)
	14			7,356	(3,535)	(536)
<b>(Loss) for the financial year</b>						
Dividends - non-equity	17			(24)	(122)	(200)
<b>Retained (loss) for the financial year</b>	30			(19,248)	(37,169)	(5,464)
				US Cents	US Cents	US Cents
						*Restated
<b>Basic (loss) per ordinary share</b>	16			(112.5)	(398.5)	(73.9)
<b>Fully diluted (loss) per ordinary share</b>	16			(112.5)	(398.5)	(73.9)

There is no difference between the (loss) on ordinary activities before taxation and the retained (loss) for the year stated above, and their historical cost equivalents.

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10. Accordingly, the comparatives for 2001 have been restated.

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## Statement of group total recognised gains and losses

	2003 \$'000	2002 \$'000	2001 \$'000
Loss for the year	(19,224)	(37,047)	(5,264)
Exchange adjustments offset in reserves	—	(1,627)	(35)
	<u>(19,224)</u>	<u>(38,674)</u>	<u>(5,299)</u>

## Reconciliation of movements in group shareholders' (deficit)/funds

	2003 \$'000	2002 \$'000	2001 \$'000
Loss for the financial year	(19,224)	(37,047)	(5,264)
Dividends - non equity	(24)	(122)	(200)
New share capital issued	21,212	198	4,736
Share issuance costs	(2,104)	(407)	—
Exchange adjustments offset in reserves	—	(1,627)	(35)
Net change in shareholders' (deficit)/funds	(140)	(39,005)	(763)
Opening shareholders' (deficit)/funds	(6,208)	32,797	33,560
Closing shareholders' (deficit)/funds	<u>(6,348)</u>	<u>(6,208)</u>	<u>32,797</u>

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## Balance sheets at 31 December

	Note	Group			Company		
		2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Fixed assets</b>							
Intangible assets	18	31,749	47,455	52,125	31,749	47,310	52,101
Tangible assets	19	1,031	2,386	2,463	300	410	502
Investments	20	—	—	—	1,660	1,660	1,660
		<u>32,780</u>	<u>49,841</u>	<u>54,588</u>	<u>33,709</u>	<u>49,380</u>	<u>54,263</u>
<b>Current assets</b>							
Stock	21	2,651	7,726	3,925	2,651	7,662	3,901
Deferred tax asset	26	7,500	—	—	7,500	—	—
Debtors	22	2,349	15,606	8,706	3,766	33,826	35,703
Investments	23	—	—	71	—	—	71
Cash at bank and in hand		2,097	24,265	33,307	1,134	19,388	31,240
		<u>14,597</u>	<u>47,597</u>	<u>46,009</u>	<u>15,051</u>	<u>60,876</u>	<u>70,915</u>
<b>Creditors: amounts falling due within one year</b>	24	<u>53,725</u>	<u>66,903</u>	<u>59,409</u>	<u>67,092</u>	<u>69,892</u>	<u>85,140</u>
<b>Net current liabilities</b>		<u>(39,128)</u>	<u>(19,306)</u>	<u>(13,400)</u>	<u>(52,041)</u>	<u>(9,016)</u>	<u>(14,225)</u>
<b>Total assets less current liabilities</b>		<u>(6,348)</u>	<u>30,535</u>	<u>41,188</u>	<u>(18,332)</u>	<u>40,364</u>	<u>40,038</u>
Creditors: amounts falling due after more than one year	25	—	36,693	7,190	—	46,500	7,190
Provisions for liabilities and charges	26	—	50	1,201	—	50	1,201
<b>Net (liabilities)/assets</b>		<u>(6,348)</u>	<u>(6,208)</u>	<u>32,797</u>	<u>(18,332)</u>	<u>(6,186)</u>	<u>31,647</u>
<b>Capital and reserves</b>							
Called up share capital	28	29,088	19,057	19,002	29,088	19,057	19,002
Share premium account	30	70,223	61,146	61,409	67,497	58,420	58,683
Merger reserve	30	—	(1,653)	(1,653)	—	—	—
Profit and loss account	30	(105,659)	(84,758)	(45,961)	(114,917)	(83,663)	(46,038)
<b>Total shareholders' (deficit)/funds</b>		<u>(6,348)</u>	<u>(6,208)</u>	<u>32,797</u>	<u>(18,332)</u>	<u>(6,186)</u>	<u>31,647</u>
<b>Analysis of shareholders' (deficit)/funds</b>							
Equity		(6,348)	(16,199)	12,171	(18,332)	(16,177)	11,021
Non-equity		—	9,991	20,626	—	9,991	20,626
		<u>(6,348)</u>	<u>(6,208)</u>	<u>32,797</u>	<u>(18,332)</u>	<u>(6,186)</u>	<u>31,647</u>

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## Consolidated cash flow statement for the year ended 31 December 2003

	2003 \$'000	2002 \$'000	2001 \$'000
<b>Net cash (outflow)/inflow from operating activities</b>	(15,051)	6,135	18,787
<b>Returns on investment and servicing of finance</b>			
Interest received	65	390	847
Interest paid on loans and overdrafts	(2,726)	(84)	(462)

Interest paid on finance leases		(31)	(5)	(14)
Net cash (outflow)/inflow from returns on investments and servicing finance		(2,692)	301	371
<b>Taxation</b>				
Corporation tax paid		(2,761)	(852)	(457)
<b>Capital expenditure and financial investment</b>				
Purchase of intangible fixed assets		(16,102)	(10,909)	(52,136)
Purchase of tangible fixed assets		(662)	(715)	(1,653)
Proceeds on sale of tangible fixed assets		—	164	11
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(16,764)</b>	<b>(11,460)</b>	<b>(53,778)</b>
<b>Acquisitions and disposals</b>				
Cash received on disposal of Swedish operations (2001: South American transdermal business)	9	13,375	—	11
Cash balance gained/(eliminated) on disposal of Swedish operations (2001: South American transdermal business)	9	329	—	(158)
<b>Cash outflow before management of liquid resources and financing</b>		<b>(23,564)</b>	<b>(5,876)</b>	<b>(35,225)</b>
<b>Management of liquid resources</b>				
Decrease in short term deposits with banks		—	—	16,131
<b>Financing</b>				
Issue of ordinary share capital		21,212	199	4,421
Expenses of issue of ordinary share capital	30	(2,104)	(407)	(359)
New bank and other loans		—	—	49,776
Restructuring costs paid		—	—	(1,133)
Repayment of principal on bank and other loans	35	(17,500)	(2,576)	(2,404)
Repayment of principal under finance leases	35	(212)	(193)	(262)
<b>Net cash inflow/(outflow) from financing</b>		<b>1,396</b>	<b>(2,979)</b>	<b>50,039</b>
<b>(Decrease)/increase in cash</b>	34	<b>(22,168)</b>	<b>(8,851)</b>	<b>30,945</b>

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#### Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2003 \$'000	2002 \$'000	2001 \$'000
<b>Continuing operations</b>			
Operating loss from continuing operations	(6,093)	(6,017)	(4,262)
Depreciation on tangible fixed assets	95	140	106
Amortisation of intangible fixed assets	576	500	553
Impairment of intangible fixed assets	—	473	—
Decrease in stocks	—	—	29
(Increase)/decrease in trade debtors	(21)	23	29
(Increase)/decrease in other debtors	(55)	263	(336)
(Increase)/decrease in prepayments and accrued income	(217)	197	(69)
Increase/(decrease) in trade creditors	648	(192)	(59)
(Decrease)/increase in other taxation and social security	(34)	(95)	156
Increase in accruals and deferred income	299	563	667
(Decrease)/increase in provisions	(50)	(74)	39
Net cash outflow from continuing operating activities	(4,852)	(4,219)	(3,147)
<b>Discontinued operations</b>			
Operating (loss) from discontinued operations	(32,728)	(26,613)	(614)
Depreciation on tangible fixed assets	456	726	528
Amortisation of intangible fixed assets	4,890	6,920	22,270
Impairment of intangible fixed assets	10,095	38,309	—
(Gain)/loss on translation of foreign currency balances	—	(10,142)	180
Loss on sale of tangible fixed assets	—	11	14
Decrease/(increase) in stocks	5,016	(3,801)	(930)
Decrease/(increase) in trade debtors	12,521	(6,945)	(4,180)
Decrease in other debtors	420	397	729
(Increase) in prepayments and accrued income	(293)	(577)	(287)
Increase/(decrease) in trade creditors	193	(78)	2,186
(Decrease)/increase in other creditors	(14,786)	5,210	2,507
(Decrease)/increase in other taxation and social security	(236)	111	(555)
Increase in accruals and deferred income	4,253	6,826	86
Net cash (outflow)/inflow from discontinued operating activities	(10,199)	10,354	21,934
Total net cash (outflow)/inflow from operating activities	(15,051)	6,135	18,787

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**1. Basis of preparation**

**(a) Liquidity**

In the 2002 financial statements the Group disclosed that it had grown through acquisitions financed by the issue of shares, the sale of assets and by loans and deferred payment terms from a related party, Elan Pharma International Limited (“EPIL”).

At the time the 2002 financial statements were prepared, the Group’s trading was deteriorating and to continue as a going concern the Group needed to raise additional cash resources through a combination of the sale of non-core assets, external financing, reductions in costs and re-negotiation of terms of existing loan and deferred payment obligations.

In 2003 and subsequent to the year-end, the Group divested assets both core and non-core and settled/refinanced its obligations with EPIL such that it now has no debt falling due within the twelve months to March 31, 2005 and has positive net current assets as of the date of signing the financial statements. Based on current projections, as of March 31, 2004 the Group has adequate funds to finance current operations for the next twelve months. Consequently, the Directors have prepared these financial statements on the going concern basis.

**(b) Reporting currency**

On 1 January 2003, the functional and reporting currency was changed to US dollars from pounds sterling. The comparative financial data included in these financial statements, which have historically been reported in pounds sterling, have been recalculated as if converted to US dollars at the 31 December 2002 closing exchange rate of \$1.6099 to £1.

**2. Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important group accounting policies, which have been reviewed by the Board in accordance with Financial Reporting Standard (“FRS”) 18 “Accounting Policies” and which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the Company and all its subsidiary undertakings. The turnover and results of subsidiary companies are included in the financial statements from the date of acquisition, except where merger accounting principles are applied, in which case the turnover and results of the company being merged are included as if the merger had taken place before the earliest year presented.

In the case of disposals, turnover and results are included up to the date control passes to the new owner.

**Goodwill**

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill thus arising is capitalised and amortised over its useful economic life.

Prior to the implementation of FRS 10 “Goodwill and intangible assets”, goodwill arising on acquisitions was written off to reserves in accordance with the accounting standards then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

**Tangible fixed assets and intangible fixed assets**

Tangible and intangible fixed assets are stated at cost, being their purchase cost, together with any incidental expenses of acquisition.

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Depreciation/amortisation is calculated so as to write off the cost of tangible/intangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and equipment	10-20%
Motor vehicles	25%
Fixtures and fittings	20%
Computer equipment	33.33%

Leasehold land and buildings are amortised over the period of the lease.

Intangible fixed assets are amortised on a straight line basis over the period in which the Group is expected to benefit from these assets.

**Evaluation of assets for impairment**

The Group reviews its long-lived assets for possible impairment when a triggering event is identified by comparing their discounted expected future cash flows or evidence of net realisable value to their carrying amount. An impairment loss is recognised if the recoverable amount is less than the carrying amount of the asset.

**Fixed asset investments**

Fixed asset investments are shown at cost less any provision for impairment.



**Research and development expenditure**

On a continuous basis the Group undertakes various clinical trials to establish and provide evidence of product efficacy.

All research and development costs are written off as incurred, except as provided in the following paragraph.

For a number of products under development, income is triggered under licence agreements by the submission of registration dossiers once trials have been completed, or simply by evidence of trials results alone. In these circumstances it is the Group's policy that the direct external costs of specific trials required to fulfil these criteria will be carried forward as work-in-progress up to the value of the income to be generated, where that income is expected to be received within twelve months of the balance sheet date. At present, the Group has no costs meeting these criteria and no work-in-progress is being carried forward.

**Pre-launch costs**

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

**Advertising costs**

The Group has adopted an accounting policy for advertising costs whereby they are expensed as incurred. For the year ended 31 December 2003 costs incurred were \$250,000 (31 December 2002: \$377,000, 31 December 2001: \$948,000).

**Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a "first in, first out" basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Finance and operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Where fixed assets are financed by leasing arrangements, which transfer to the Group substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

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**Foreign currencies**

Assets and liabilities of subsidiaries are translated into the Group's functional currency at rates of exchange ruling at the end of the financial year and the results of subsidiaries are translated at the average rate of exchange for the year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of the results of those companies at average rate, are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

**Financial instruments**

Current asset investments are stated at the lower of cost and market value. If there is no longer any market available for them, then the carrying value will be written down accordingly. Gains or losses on sale of such items will be recognised in the period in which the transaction takes place.

All borrowings are initially stated at the amount of consideration received. Finance costs are charged to the profit and loss account over the term of the borrowing and represent a constant proportion of capital repayment outstanding.

**Turnover**

Revenues exclude value added tax, sales between group companies and trade discounts. Revenues from pharmaceutical product sales and royalties represent the invoice value of products delivered to the customer, less trade discounts. The Group makes provisions for product returns based on specific product by product sales history and the value of product returns is taken as a deduction from revenue.

Royalty income is recognised when earned, based on related sales of products under agreements providing for royalties and is included under the heading "royalties and product sales".

Income under license agreements is recognised when amounts have been earned through the achievement of specific milestones set forth in those agreements and/or the costs to attain those milestones have been incurred by the Group. A minority of the license agreements provide that if the Group materially breaches the agreement or fails to achieve required milestones, the Group would be required to refund all or a specified portion of the income received under the agreement. No provision is included for repayments of such income if the directors consider that this eventuality is remote.

**Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

**Pension costs**

The Group contributes a set proportion of certain employees' gross salary to defined contribution money purchase pension schemes. The pension costs charged to the profit and loss account represent the amount of contributions payable in respect of the accounting period.

The Group provides no other post retirement benefits to its employees.

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### Short term investments

Bank deposits which are not repayable on demand are treated as short term investments in accordance with FRS 1 (Revised 1996) "Cashflow statements". Movements in such investments are included under "Management of liquid resources" in the Group's cash flow statement.

### Share schemes

In accordance with the provisions of Urgent Issues Task Force Abstract 17 "Employee share schemes", the Group makes charges to the profit and loss account when options are granted, the charge being the market value of the shares at the date of grant less the exercise price of the options. The charge is reflected in the consolidated profit and loss account with an offsetting credit to reserves.

Employer's National Insurance and similar taxes arise on the exercise of certain share options. In accordance with Urgent Issues Task Force Abstract 25 "National Insurance contributions on share options gains" a provision is made, calculated using the market price at the balance sheet date, pro-rated over the vesting period of the options.

### Risks and uncertainties

The value of the Group's patent and proprietary rights will be affected by its ability to obtain and preserve patent protection for its products and trade secrets, and by the emergence of competing technologies over time. In particular, the value of the intangible assets described in note 18 could be severely affected by changes in the status of the Group's patent and proprietary rights.

In addition, as the Group's products are highly regulated, any withdrawal of approval could impact the carrying value of the related inventory.

### Use of estimates

The preparation of financial statements in conformity with UK GAAP requires management to make estimates and assumptions that affect the reported amounts 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. Actual results could differ from those estimates.

Inventory and returns provisions are calculated by projecting forward historical trends and take account of third party data including wholesaler inventory and prescriptions.

### Nature of operations

During 2003 the principal activities of the Group comprised the marketing and distribution of pharmaceutical products and the provision of drug delivery and development services to third party pharmaceutical companies. Subsequent to the sale of the Group's US operation on 25 February 2004 and its drug delivery business on 28 October 2003, the Group's principal activity is the licensing and development of pharmaceutical products in the neurological field.

### Restatement of comparatives

During the period ended 31 December 2001 the Group sold all of its 99.16% equity interest in its South American transdermal patch business. Transactions related to this business are included within discontinued activities.

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business comprising Gacell Holdings AB and Amarin Development (Sweden) AB. On 25 February 2004, the Group disposed of its entire interests in Amarin Pharmaceuticals Inc. In accordance with, UK GAAP (FRS 3 'Reporting Financial Performance') the Group has classified both these transactions as discontinued and has restated the comparatives on this basis.

During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 have been restated.

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### 3. Exceptional items

	Note	2003 \$'000	2002 \$'000	2001 \$'000
<b>Turnover</b>				
Discontinued operations		(10,624)	—	—
<b>Cost of sales</b>				
Discontinued operations	5	(4,680)	(4,654)	—
<b>Gross profit</b>				
Discontinued operations		(15,304)	(4,654)	—
<b>Operating expenses – discontinued operations</b>				
<b>Administrative expenses</b>				
Gain on renegotiation of related party liability	6,24,39	7,500	—	—
Foreign exchange gain	6	—	8,080	—
Impairment of Moraxen carrying value	6,18	—	(473)	—
Impairment of Primary Care Portfolio carrying value	6,18	(695)	—	—
Impairment of Permax carrying value	6,18	(9,400)	(38,309)	—
		(2,595)	(30,702)	—

The items for 2002 were not disclosed as exceptional in the 2002 annual report but have been disclosed in 2003 for comparability.

The exceptional charges relating to turnover comprise \$9,036,000 of Permax charges relating to returns and sales deductions, and \$1,588,000 relating to returns of primary care products. The exceptional charges arise on Permax because of the level of in-market inventories coupled with a sharp decline in 2003

demand because of generic competition. The primary care product charges are also due to the level of in-market inventory and reduced 2003 demand due to severe competition in the Phrenilin line of products.

Explanations of the other exceptional items are contained in the notes referenced in the table above.

Within operating expenses on the face of the UK GAAP profit and loss account are certain items which are disclosed as exceptional. Under US GAAP these items would not represent extraordinary items and would, therefore, not be disclosed separately on the face of the profit and loss account.

#### 4. Analysis by segment

The Group operates in, and is managed as, a single segment. The majority of continuing European sales are made to companies based in Holland and the majority of discontinued sales elsewhere are made to companies based in the United States. The following analysis is of revenue by geographical segment, by destination and by origin, of net (loss)/profit and net (liabilities)/assets by companies in each territory. Analysis is also provided of revenue by class and also of long-lived assets by geographical location.

<b>Sales by destination</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Europe – continuing operations	107	113	96
Discontinued operations	7,258	65,328	62,935
	<b>7,365</b>	<b>65,441</b>	<b>63,031</b>

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<b>Sales by origin</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
United Kingdom – continuing operations	107	113	96
Discontinued operations	7,258	65,328	62,935
	<b>7,365</b>	<b>65,441</b>	<b>63,031</b>

<b>(Loss) on ordinary activities before interest</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
United Kingdom – continuing operations	(6,093)	(6,017)	(4,262)
Discontinued operations	(19,652)	(25,536)	(870)
	<b>(25,745)</b>	<b>(31,553)</b>	<b>(5,132)</b>

<b>Net (liabilities) / assets</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Geographical segment</b>			
United Kingdom	(10,202)	(5,218)	32,037
Europe	—	(1,117)	(420)
North America	3,854	127	1,180
	<b>(6,348)</b>	<b>(6,208)</b>	<b>32,797</b>

<b>Analysis by class of business</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Turnover</b>			
Royalties and product sales – continuing operations	107	113	96
Discontinued operations	7,258	65,328	62,935
	<b>7,365</b>	<b>65,441</b>	<b>63,031</b>

<b>Long lived assets by geographical location</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
United Kingdom	32,049	47,720	52,603
Europe	—	1,145	934
North America	731	976	1,051
	<b>32,780</b>	<b>49,841</b>	<b>54,588</b>

#### Significant customers

During the years ended 31 December the following percentages of the Group's revenues were from:

	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Top customer	54	23	10
Next 4 largest	36	56	26

For each of these three periods, the significant customers are located in the United States of America.

#### Operating costs and assets and liabilities

The majority of operating costs and assets and liabilities serve the two classes of business, therefore it is not possible to analyse profit or loss before taxation or net assets between classes of business. The directors do not regard the level of sales between segments of the business to be significant and as a result these are not separately classified. These sales between group companies have been eliminated on consolidation.

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#### 5. Cost of sales

	Note	2003 \$'000	2002 \$'000	2001 \$'000
Cost of sales		7,232	25,445	25,337
Exceptional item	3	4,680	4,654	—
		<b>11,912</b>	<b>30,099</b>	<b>25,337</b>
<b>Analysed:</b>				
Continuing operations		—	—	—
Discontinued operations		11,912	30,099	25,337
<b>Total cost of sales</b>		<b>11,912</b>	<b>30,099</b>	<b>25,337</b>

During 2003, the Company recorded charges of \$4,518,000 in respect of Permax inventory write-offs because of the deterioration in sales following the launch of a generic competitor in December 2002. Inventory losses of \$762,000 arose on the primary care line of products because of deteriorating sales and high in-market inventories. Offsetting these charges are \$600,000 reduction in Permax royalty relating to the exceptional reductions in revenues (see note 3).

During 2002, the Company recorded a charge for inventory write-offs due to the generic competition against Phrenilin with Caffeine and Codeine.

## 6. Operating expenses

	Note	2003 \$'000	2002 \$'000	2001 \$'000
Administrative and general expenses		11,363	12,050	8,222
Gain on renegotiation of related party liability	3,24,39	(7,500)	—	—
Foreign exchange gain		—	(8,080)	—
Amortisation of intangible fixed assets	18	5,466	2,864	2,778
Amortisation of Permax sales and marketing rights	18	—	4,556	20,046
Impairment of Moraxen carrying value	18	—	473	—
Impairment of Primary Care Portfolio carrying value	18	695	—	—
Impairment of Permax carrying value	18	9,400	38,309	—
<b>Total administrative expenses</b>		<b>19,424</b>	<b>50,172</b>	<b>31,046</b>

### Distribution costs - selling and marketing

Discontinued operations		9,408	11,587	6,458
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### Analysed:

Continuing operations		6,200	6,130	4,358
Discontinued operations		22,632	55,629	33,146
		<b>28,832</b>	<b>61,759</b>	<b>37,504</b>

### Research and development costs

Discontinued operations		5,442	6,213	5,066
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<b>Total operating expenses</b>		<b>34,274</b>	<b>67,972</b>	<b>42,570</b>
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Research and development costs include staff costs, professional and contractor fees, materials and external services.

## 7. Directors' emoluments

	2003 \$'000	2002 \$'000	2001 \$'000
Aggregate emoluments	1,137	1,405	1,220
Company pension contributions to money purchase schemes	30	35	29
	<b>1,167</b>	<b>1,440</b>	<b>1,249</b>

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The Company paid pension contributions to money purchase pension schemes on behalf of one director (year to 31 December 2002 and 2001: one director).

T G Lynch waived emoluments in respect of the year ended 31 December 2003 amounting to \$41,000 (year to 31 December 2002 and 2001: \$40,000). Also, J Groom waived emoluments in respect of the year ended 31 December 2003 amounting to \$41,000 (year to 31 December 2002 and 2001: \$40,000).

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

### Highest paid director

	2003 \$'000	2002 \$'000	2001 \$'000
Aggregate emoluments	581	827	897
Company pension contributions to money purchase schemes	30	35	29
	<b>611</b>	<b>862</b>	<b>926</b>

## 8. Employee information

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

	2003 Number	2002 Number	2001 Number
Marketing and administration	50	58	30

Clinical and registration	5	6	7
Research and development	20	24	29
Computing	2	2	2
Laboratory	13	16	16
	<u>90</u>	<u>106</u>	<u>84</u>
	<u>2003</u>	<u>2002</u>	<u>2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Staff costs (for the above persons):			
Wages and salaries	9,366	8,671	5,617
Social security costs	1,023	1,695	787
Other pension costs	160	375	250
	<u>10,549</u>	<u>10,741</u>	<u>6,654</u>

#### 9. Profit/(loss) on disposal of discontinued operations

	<u>2003</u>	<u>2002</u>	<u>2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(Loss) on disposal of South American transdermal business	—	—	(1,439)
Profit on sale Gacell Holdings AB and Amarin Development (Sweden) AB	13,076	—	—
	<u>13,076</u>	<u>—</u>	<u>(1,439)</u>

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business comprising Gacell Holdings AB and Amarin Development (Sweden) AB, as follows:

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	<u>\$'000</u>
Intangible fixed assets	145
Tangible fixed assets	1,029
Stock	59
Debtors	1,501
Cash	(329)
Creditors	(1,506)
	<u>899</u>
Profit on disposal	13,076
Consideration – net of expenses and escrow	<u>13,975</u>
Gross proceeds	15,000
Less post closing working capital adjustment	(150)
Less retention for potential claims	(750)
Less legal fees	(125)
	<u>13,975</u>

As at 31 December 2003, \$600,000 of the consideration was outstanding and is included within other debtors.

The consolidated profit and loss account of Gacell and Amarin Development through the date of disposal, consolidated in the Group profit and loss account as discontinued operations is as follows:

	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2003</u>	<u>2002</u>	<u>2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Turnover			
Royalties and product sales	2,860	3,716	4,456
Licensing and development fees	1,697	2,452	2,114
Services	19	874	586
Total turnover from discontinued operations	<u>4,576</u>	<u>7,042</u>	<u>7,156</u>
Cost of sales	(1,254)	(2,127)	(2,225)
Gross profit	<u>3,322</u>	<u>4,915</u>	<u>4,931</u>
Operating expenses			
Research and development	(3,731)	(4,173)	(3,281)
Selling, general and administrative expenses	(987)	(1,070)	(1,156)
Total operating expenses from discontinued operations	<u>(4,718)</u>	<u>(5,243)</u>	<u>(4,437)</u>
Operating (loss)/profit and (loss)/profit from discontinued operations	<u>(1,396)</u>	<u>(328)</u>	<u>494</u>

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The profit and loss account of the US business sold to Valeant Pharmaceuticals International on 25 February 2004 that is also considered in the Group profit and loss account as discontinued operations is as follows:

#### US Business sold February 2004

Year ended                      Year ended                      Year ended

	31 December 2003 \$'000	31 December 2002 \$'000	31 December 2001 \$'000
Turnover			
Royalties and product sales	2,683	57,647	51,472
Total turnover from discontinued operations	2,683	57,647	51,472
Cost of sales	(10,659)	(27,972)	(21,495)
Gross (loss)/ profit	(7,976)	29,675	29,977
Operating expenses			
Research and development	(1,711)	(1,861)	(1,341)
Selling, general and administrative expenses	(13,950)	(16,772)	(8,565)
Total operating expenses from discontinued operations	(15,661)	(18,633)	(9,906)
Operating (loss)/profit and (loss)/profit from discontinued operations	(23,637)	11,042	20,071

There were no disposals during 2002. On 30 November 2001 the Group concluded the sale of its 99.16% share of its South American transdermal patch product development business comprising the Group's entire interest in the business. The South American transdermal patch business was discontinued from that date. The consolidated profit and loss account contains a combined profit/(loss) on discontinued operations calculated as follows:

#### South American transdermal patch business

	Year ended 31 December 2003 \$'000	Year ended 31 December 2002 \$'000	Year ended 31 December 2001 \$'000
Turnover	—	—	
Royalties and product sales			3,278
Licensing and development fees	—	—	235
Services	—	—	69
Total turnover from discontinued operations	—	—	3,582
Cost of sales	—	—	(1,616)
Gross profit	—	—	1,966
Operating expenses - research and development	—	—	(493)
Selling, general and administrative expenses	—	—	(736)
Total operating expenses from discontinued operations	—	—	(1,229)
Operating profit	—	—	737
Exceptional cost of income/restructuring (see note 12)	—	1,077	1,183
Profit from discontinued operations	—	1,077	1,920

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#### 10. Interest receivable and similar income

	2003 \$'000	2002 \$'000	2001 \$'000
Bank interest receivable and similar income	65	386	847
Other interest receivable	—	4	—
Gain on disposal of current asset investments	—	—	34
	65	390	881

#### 11. Interest payable and similar charges

	2003 \$'000	2002 \$'000	2001 \$'000
On bank overdrafts	3	5	23
On other loans	866	1,856	440
On finance leases	31	5	14
Other interest payable	—	483	—
	900	2,349	477

In 2002, other interest payable comprises of interest payable on the under-provision of UK corporation tax relating to prior years (see note 14).

#### 12. Exceptional income/restructuring

	2003 \$'000	2002 \$'000	2001 \$'000
Discontinued operations – restructuring			
Transdermal exceptional profit	—	1,077	1,183
	—	1,077	1,183

The exceptional income in both 2002 and 2001 represents the release of provisions established on the 1999 disposal of the transdermal business.

#### 13. (Loss) on ordinary activities before taxation

	2003 \$'000	2002 \$'000	2001 \$'000
<b>(Loss) on ordinary activities before taxation is stated after charging:</b>			
Depreciation/amortisation charge for the period:			

Intangible fixed assets	5,466	7,420	22,824
Tangible owned fixed assets	417	721	481
Tangible fixed assets held under finance leases	134	145	153
Auditors' remuneration for audit (company \$267,000, year to 31 December 2002: \$248,000, year to 31 December 2001; \$182,000)			
Statutory audit services	157	190	214
Further assurance services	255	75	—
Auditors' remuneration for non-audit work			
Tax services			
Compliance services	25	24	23
Advisory services	90	110	264
Operating lease charges			
Plant and machinery	85	16	5
Other	1,174	1,645	628
(Gain) on disposal of fixed assets	—	(11)	(14)

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#### 14. Taxation

	2003 \$'000	2002 \$'000	2001 \$'000
Tax on loss on ordinary activities:			
United Kingdom corporation tax at 30%: current year	—	—	266
Under/(over) provision in respect of prior years	—	2,611	(20)
Overseas taxation: current year	144	924	290
Total current tax	144	3,535	536
Deferred tax credit	(7,500)	—	—
Total tax	(7,356)	3,535	536

During 2002, the Company provided for \$2,611,000 in respect of prior years corporation tax payable. Of this, \$2,584,000 relates to the gain arising on the disposal of the transdermal business in 1999.

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

	2003 \$'000	2002 \$'000	2001 \$'000
(Loss) on ordinary activities before tax	(26,580)	(33,512)	(4,728)
(Loss) on ordinary activities multiplied by standard rate of corporate tax in the UK of 30%	(7,974)	(10,054)	(1,418)
Overseas tax and adjustments in respect of foreign tax rates	35	939	290
Accelerated capital allowances and other short term timing differences	14,847	3,360	1,441
Expenses not deductible for tax purposes	(6,764)	6,679	243
Adjustments to tax charge in respect of previous period	—	2,611	(20)
Total current tax	144	3,535	536

In the UK, the applicable statutory rate for Corporate income tax was 30% for the years ended 31 December 2001, 2002 and 2003.

The corporate tax rate in Sweden is 28%. A loss sustained in any income year may be carried forward and deducted from taxable income during the next and subsequent years. No carryback is permitted. The corporate tax rate in the United States is 34%. For tax years beginning after August 5, 1997, companies may generally carry back net operating losses two years and forwards twenty years.

Losses carried forward in the continuing UK Company at 31 December 2003 were \$41,690,000 (31 December 2002: \$53,985,000, 31 December 2001: \$46,438,000) subject to confirmation by UK tax authorities. Under UK tax law, these losses can be carried forward indefinitely for set off against future profits of the same trade.

A deferred tax asset of \$7,500,000 representing the deferred tax credit has been recognised by the Company and the Group in 2003, (2002 and 2001 \$Nil) as the Company will utilise timing differences that reverse in 2004 against a gain on the settlement of Elan debt that will arise in that year. In 2003, 2002 and 2001 high levels of corporate tax losses carried forward and insufficient certainty of future profitability resulted in unrecognised potential deferred tax assets of \$25,301,000, \$29,405,000 and \$13,523,000 respectively.

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During the years ended 31 December 2003 and 2002 the main reconciling items in arriving at the current tax charge related to accelerated capital allowances, other short term timing differences and expenses not deductible for tax purposes. The main timing difference related to losses that were carried forward for set off against future profits of the same trade. The expenses not deductible for tax purposes principally related to the diminution in value of intangible fixed assets. During the year ended 31 December 2001, the main reconciling item in arriving at the current tax charge related to accelerated capital allowances and other short term timing differences. The main timing difference related to losses that were carried forward for set off against future profits of the same trade.

No tax liability arose on the disposal of Amarin Development (Sweden) AB.

## 15. Loss for the financial period

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. Of the consolidated loss attributable to the shareholders of Amarin Corporation plc a loss of \$31,254,000 (31 December 2002: loss of \$37,625,000, 31 December 2001: loss of \$5,562,000) has been dealt with in the financial statements of the Company.

## 16. (Loss) per ordinary share

The (loss) per ordinary share are as follows:

	2003	2002	2001
Net (loss) attributable to ordinary shareholders (\$'000)	(19,224)	(37,047)	(5,264)
Basic (loss) per ordinary share (US cents)	(112.5)	(398.5)	(73.9)
Fully diluted (loss) per ordinary share (US cents)	(112.5)	(398.5)	(73.9)
Weighted average number of ordinary shares in issue	17,093,400	9,297,200	7,124,700
Dilutive impact of cumulative preference shares	—	2,000,000	4,129,800
Dilutive impact of share options outstanding	3,900	565,500	765,800
Fully diluted average number of ordinary shares in issue	17,097,300	11,862,700	12,020,300

Basic (loss) per share is calculated by dividing the (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares in issue in the year.

Fully diluted (loss) per share is calculated using the weighted average number of ordinary shares in issue adjusted to reflect the effect were the cumulative preference shares to be converted to additional ordinary shares, together with the effect of exercising those share options granted where the exercise price is less than the average market price of the ordinary shares during the year. Because the Company reported a net loss in all three years, the loss per share is not reduced by dilution.

## 17. Dividends - non-equity

During 2003, the remaining 2,000,000 3% convertible preference shares were converted into ordinary shares and non-equity dividends of \$24,000 were accrued. In 2002 the Company proposed and accrued \$122,000 relating to non-equity dividends on the 3% convertible preference shares of £1 nominal value. In 2001, the Company accrued \$200,000 relating to non-equity dividends on 4,129,819 3% convertible preference shares of £1 nominal value. During 2002, 2,129,819 of the shares were converted into ordinary shares (see note 28).

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## 18. Intangible fixed assets

Group Cost	Product rights \$'000
At 1 January 2001	34,785
Additions	52,437
Disposals	(9,766)
At 31 December 2001 and at 1 January 2002	77,456
Additions	41,532
At 31 December 2002 and 1 January 2003	118,988
Disposal	(234)
<b>At 31 December 2003</b>	<b>118,754</b>
<b>Amortisation</b>	
At 31 1 January 2001	10,445
Charge for year	22,824
Eliminated on disposal	(7,938)
At 31 December 2001 and at 1 January 2002	25,331
Charge for the year	7,420
Impairment charge	38,782
At 31 December 2002 and at 1 January 2003	71,533
Charge for the year	5,466
Eliminated on disposal	(89)
Impairment charge	10,095
<b>At 31 December 2003</b>	<b>87,005</b>
<b>Net Book Value</b>	
<b>Net book value at 31 December 2003</b>	<b>31,749</b>
Net book value at 31 December 2002	47,455
Net book value at 31 December 2001	52,125

On May 17, 2001, the Group entered into an agreement with Elan to license US rights to Permax, a dopamine agonist marketed for the treatment of Parkinson's disease. Under this agreement, the Group acquired limited exclusive US distribution, sales and marketing rights for an initial period of time, together with a fixed price option to acquire unrestricted US rights. The initial period of exclusive distribution rights expired the earlier of 12 months from the date of the agreement or upon closing of the exercise of the purchase option to acquire all of Elan's US rights to Permax. The exercise of the option



expanded the Group's rights to Permax in a number of ways, including (1) removing the limited duration of distribution, sales and marketing rights, (2) providing the Group with the rights to develop Permax further (e.g. new formulations) and (3) enabling the Group to sell some or all of its rights to a third party at some future date.

In 2001, the Group paid Elan \$47,500,000 in consideration for the combination of these rights. A further \$37,500,000 would become payable on the exercise of the option. The Group capitalized the consideration paid to Elan in 2001 as two separate intangible assets: (1) an exclusive US distribution right (\$29,284,000) and (2) an option to acquire US rights to Permax (\$18,216,000). The initial payment of \$47,500,000 was allocated between the two assets. The value ascribed to the distribution right was determined using the present value of projected cash flows anticipated over the 12 month period of the distribution agreement. The balance of the initial payment was allocated to the option. Prior to the exercise of the option, the value attributed to the distribution right was being amortized over its 12 month term. The value attributed to the option was not amortized as this amount represents a component of purchase consideration, subject to any impairment.

In 2002, the Group exercised its option to acquire Elan's entire US Permax rights, triggering the further consideration of \$37,500,000. The Permax asset has been recorded at an amount equal to the total consideration paid, which included both the \$37,500,000 in payments arising from the exercise of the option in 2002, as well as the \$18,216,000 in value attributed to the option originally in 2001. In addition, with the exercise of the option, management reassessed the useful life of the distribution right and concluded that the remaining carrying amount of \$12,060,000 (being the original \$29,284,000 cost amortized up to the date the option was deemed to have been exercised – January 1, 2002) should be amortised over a remaining period of 14 years to match the life assigned to the Permax intangible acquired in March 2002.

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During 2002, the Group recorded an impairment charge in relation to the value of Permax (\$38,357,000) based on value in use, following the introduction of generic competition. The impairment charge was calculated in accordance with FRS11 (UK GAAP) "Impairment of fixed assets and goodwill" using discounted expected future cashflows at an appropriate risk adjusted rate. As prescribed in FRS11 the launch of a generic is a "trigger" event which necessitates, where appropriate, a revision of the carrying value of the intangible. Subsequent to this impairment charge, the Permax estimated economic useful life has been reduced to 10 years, which is the estimated economic useful life of the other product rights.

Subsequent to the 2003 year end, on 25 February 2004, the Group sold Permax and the Primary Care Portfolio. The Group reviewed the year end carrying value of these assets for possible impairment by comparing the net realisable amounts to their carrying amounts. Accordingly, the Primary Care Portfolio has been written down by \$695,000 to a carrying value of \$10,000,000 and Permax has been written down by \$9,400,000 to a carrying value of \$17,600,000. Following the disposal of the assets the amortisation charge for the next five years would be \$576,000 per year.

Also during 2003, the Group disposed of its Swedish drug delivery and development business (see note 9) and accordingly intangible assets with a carrying value of \$145,000 were eliminated on disposal.

In 2001, the Company paid \$473,000 to acquire exclusive US rights for Moraxen, a product in development by CeNeS plc for treatment of pain. During 2002, CeNeS experienced financial difficulty and has ceased further development work on Moraxen. Consequently, included in the 2002 Group impairment charge is the write-off of \$473,000, the entire carrying value of this intangible.

In 2002, the Company paid \$100,000 to Elan for an option to acquire exclusive US rights to Zelapar, a product in development for Parkinson's disease. This product was also sold on 25 February 2004 but no impairment arose as the net realisable amount equalled its carrying value at the time of disposal.

Company Cost	Product rights \$'000
At 1 January 2001	25,143
Additions	52,079
At 31 December 2001 and at 1 January 2002	77,222
Additions	41,532
At 31 December 2002, 1 January 2003 and at 31 December 2003	118,754
<b>Amortisation</b>	
At 1 January 2001	2,561
Charge for year	22,560
At 31 December 2001 and at 1 January 2002	25,121
Charge for the year	7,541
Impairment charge	38,782
At 31 December 2002 and at 1 January 2003	71,444
Charge for the year	5,466
Impairment charge	10,095
At 31 December 2003	87,005
<b>Net Book Value</b>	
Net book value at 31 December 2003	31,749
Net book value at 31 December 2002	47,310
Net book value at 31 December 2001	52,101

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## 19. Tangible fixed assets

Group Cost	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
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	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2001	53	3,703	128	147	689	4,720
Additions	655	264	—	610	124	1,653
Disposals	(53)	(161)	(43)	(7)	(71)	(335)
At 31 December 2001 and at 1 January 2002	655	3,806	85	750	742	6,038
Additions	—	512	—	202	251	965
Disposals	—	(158)	—	(174)	(24)	(356)
At 31 December 2002 and at 1 January 2003	655	4,160	85	778	969	6,647
Additions	—	365	—	55	242	662
Disposals	(362)	(4,350)	(85)	—	(504)	(5,301)
<b>At 31 December 2003</b>	<b>293</b>	<b>175</b>	<b>—</b>	<b>833</b>	<b>707</b>	<b>2,008</b>
<b>Accumulated depreciation</b>						
At 1 January 2001	31	2,537	77	32	497	3,174
Charge for the year	35	411	14	89	85	634
Eliminated on disposals	(34)	(97)	(43)	(3)	(56)	(233)
At 31 December 2001 and at 1 January 2002	32	2,851	48	118	526	3,575
Charge for the year	29	454	16	140	227	866
Eliminated on disposals	—	(50)	—	(113)	(17)	(180)
At 31 December 2002 and at 1 January 2003	61	3,255	64	145	736	4,261
Charge for the year	29	203	3	138	178	551
Eliminated on disposals	(10)	(3,334)	(67)	—	(424)	(3,835)
<b>At 31 December 2003</b>	<b>80</b>	<b>124</b>	<b>—</b>	<b>283</b>	<b>490</b>	<b>977</b>
<b>Net book value</b>						
<b>At 31 December 2003</b>	<b>213</b>	<b>51</b>	<b>—</b>	<b>550</b>	<b>217</b>	<b>1,031</b>
At 31 December 2002	594	905	21	633	233	2,386
At 31 December 2001	623	955	37	632	216	2,463

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Plant and equipment includes assets held under finance leases and purchase contracts as follows:

	\$'000
<b>Cost</b>	
At 1 January 2001	929
Disposals	(100)
At 31 December 2001 and at 1 January 2002	829
Additions	221
Disposals	(148)
At 31 December 2002 and at 1 January 2003	902
Additions	319
Disposals	(1,221)
<b>At 31 December 2003</b>	<b>—</b>
<b>Accumulated depreciation</b>	
At 1 January 2001	562
Charge for year	153
At 31 December 2001 and at 1 January 2002	715
Charge for year	145
Disposals	(56)
At 31 December 2002 and at 1 January 2003	804
Charge for year	134
Disposals	(938)
<b>At 31 December 2003</b>	<b>—</b>
<b>Net book value</b>	
<b>At 31 December 2003</b>	<b>—</b>
At 31 December 2002	98
At 31 December 2001	114

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Company	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2001	53	—	103	6	209	371
Additions	293	—	—	84	68	445
Disposals	(53)	—	(43)	(3)	(56)	(155)
At 31 December 2001 and at 1 January 2002	293	—	60	87	221	661

Additions	—	—	—	8	40	48
At 31 December 2002 and at 1 January 2003	293	—	60	95	261	709
Additions	—	—	—	—	6	6
Disposals	—	—	(60)	—	—	(60)
<b>At 31 December 2003</b>	<b>293</b>	<b>—</b>	<b>—</b>	<b>95</b>	<b>267</b>	<b>655</b>
<b>Accumulated depreciation</b>						
At 1 January 2001	31	—	52	6	100	189
Charge for the year	26	—	14	11	55	106
Eliminated on disposals	(34)	—	(43)	(3)	(56)	(136)
At 31 December 2001 and at 1 January 2002	23	—	23	14	99	159
Charge for the year	29	—	16	16	79	140
Disposals	—	—	—	—	—	—
At 31 December 2002 and at 1 January 2003	52	—	39	30	178	299
Charge for the year	28	—	—	16	51	95
Disposals	—	—	(39)	—	—	(39)
<b>At 31 December 2003</b>	<b>80</b>	<b>—</b>	<b>—</b>	<b>46</b>	<b>229</b>	<b>355</b>
<b>Net book value</b>						
<b>At 31 December 2003</b>	<b>213</b>	<b>—</b>	<b>—</b>	<b>49</b>	<b>38</b>	<b>300</b>
At 31 December 2002	241	—	21	64	84	410
At 31 December 2001	270	—	37	73	122	502

The Company had no tangible fixed assets under finance leases at 31 December 2003, 2002 or 2001.

## 20. Fixed asset investments

### Group

The Group had no fixed asset investments as 31 December 2003, 2002 or 2001.

### Company

	<b>Group undertakings</b>
	<b>\$'000</b>
<b>Cost</b>	
<b>At 31 December 2003, 2002 and 2001</b>	<b>1,660</b>

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## Interest in group undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued share capital held by the	
			Group %	Company %
Amarin Pharmaceuticals Company Limited	England and Wales	1,599,925 £1 ordinary shares	100	100
Ethical Pharmaceuticals (UK) Limited	England and Wales	16,262 £1 ordinary shares	100	100
		11,735 £1 'A' ordinary shares	100	100
		375,050 £1 redeemable cumulative preference shares	100	100
		5,421 £1 redeemable convertible cumulative preference shares	100	100
Amarin Pharmaceuticals Inc	United States	10 US \$0.01 common stock	100	—

All the above subsidiary undertakings have been consolidated in the financial statements using the acquisition method except for Gacell Holdings AB which, prior to its sale on October 28, 2003, was accounted for as a merger.

### Sales and marketing companies

Amarin Pharmaceuticals Inc.

### Intermediate holding companies

Amarin Pharmaceuticals Company Limited

### Non trading companies

Ethical Pharmaceuticals (UK) Limited.

In October 2003, the Group disposed of its interests in Gacell Holdings AB and Amarin Development (Sweden) AB. In February 2004, the Group disposed of its interests in Amarin Pharmaceuticals Inc.

## 21. Stock

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Raw materials and consumables	274	800	1,133	274	800	1,133
Finished goods and goods for resale	2,377	6,926	2,792	2,377	6,862	2,768
	<b>2,651</b>	<b>7,726</b>	<b>3,925</b>	<b>2,651</b>	<b>7,662</b>	<b>3,901</b>

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## 22. Debtors

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Amounts falling due within one year</b>						
Trade debtors	418	13,459	6,536	418	13,169	5,894
Amounts owed by group undertakings	—	—	—	1,417	19,346	28,690
Other debtors	916	1,046	1,449	916	334	527
Prepayments and accrued income	1,015	1,101	721	1,015	977	592
	<b>2,349</b>	<b>15,606</b>	<b>8,706</b>	<b>3,766</b>	<b>33,826</b>	<b>35,703</b>

No provision or charge against bad or doubtful debts has been made during 2003, 2002, 2001.

## 23. Current asset investments

The Group holds an investment in Antares Pharma Inc. ("Antares") (formerly Medi-Ject Corporation), which is listed on the NASDAQ Exchange in the United States. In 2002, the directors have written off the carrying value of the investment in Antares. At 31 December 2003, the market value of this investment was \$16,000.

In 2001 the carrying value was \$71,000 against a market value of \$63,000. The directors did not consider it necessary to reduce the year end carrying value to the market value as they considered the reduction to be a temporary diminution.

## 24. Creditors: amounts falling due within one year

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Bank overdraft	—	—	190	—	—	—
Current portion of other loans	31,500	27,500	49,776	31,500	17,500	49,776
Obligations under finance leases	—	19	156	—	—	—
Trade creditors	3,564	3,070	3,341	3,564	2,850	3,036
Amounts owed to group undertakings	—	—	—	13,367	13,868	27,223
Corporation tax payable	571	3,188	246	571	3,172	246
Other taxation and social security payable	116	386	369	116	263	271
Other creditors	4,321	23,274	3,254	4,321	23,191	2,869
Accruals and deferred income	13,653	9,466	2,077	13,653	9,048	1,719
	<b>53,725</b>	<b>66,903</b>	<b>59,409</b>	<b>67,092</b>	<b>69,892</b>	<b>85,140</b>

During 2003, following renegotiation of liabilities due to Elan, a related party, all amounts due became payable by 31 March 2004 (see note 39). Accordingly, all amounts payable to Elan have been classified as due within one year.

At 31 December 2001, the "Current portion of other loans" comprised an unsecured loan from related parties, which matured in September 2002 and accordingly was classified as due within one year. At 31 December 2002, the unsecured loan had a total principal amount of \$42,500,000 of which \$27,500,000 was due within one year. Of this amount, \$17,500,000 was repayable at 31 December 2002, with the remaining \$10,000,000 due in 2003. This loan carried interest at 2% above dollar LIBOR. On January 16, 2003 \$17,500,000 was paid. The remaining \$10,000,000 was restructured and deferred by one year. Following renegotiation in August 2003, all amounts due under this loan (\$25,000,000) became payable within one year and it was settled in February 2004 (see notes 38 and 39).

As further discussed in note 25, \$12,500,000 of the 2002 current portion of "Other creditors" related to the deferred fixed payments due as a result of the exercise of the option to acquire Permax (a further \$15,000,000 of deferred fixed payments were due after one year). These amounts did not bear interest. During 2003, \$5,000,000 was paid against

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these liabilities and an amount of \$7,500,000 was waived by Elan. Following the renegotiation with Elan (see note 39), all deferred fixed payments were reclassified as due within one year. Following the sale of the Group's Swedish drug delivery and development business (see note 9) part of the proceeds (\$11,102,000) was applied to the total deferred fixed payments to leave a balance at the year end of \$3,898,000. The remaining balance was then settled in February 2004.

During 2003, the Group disposed of its Swedish operations. In Sweden, the average outstanding line of credit in the year to 31 December 2002 and 2001 was \$nil, and \$87,000 respectively. The available line of credit in each of these years was \$459,000. The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001 5.3%).

At 31 December 2003, Elan held a fixed and floating charge over all of the Group's assets to secure the Group's obligations, both debt and deferred consideration. In addition the debenture secures a guarantee that Elan has given to Eli Lilly and Company relating to the Group's 2002 acquisition of Permax.

Watson Pharmaceuticals, Inc. holds a floating charge over the Group's net assets relating to the sale of Amarin Development. The charge relates solely to lost share certificates and has been matched by an insurance policy held by the Group.

## 25. Creditors: amounts falling due after more than one year

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Other loans	—	21,500	7,190	—	31,500	7,190
Other creditors	—	15,000	—	—	15,000	—
Obligations under finance leases	—	193	—	—	—	—
	—	36,693	7,190	—	46,500	7,190

As discussed in note 24 above, during 2003 all amounts due to Elan were renegotiated and became payable within one year. The Group's finance lease obligations were part of the Swedish drug delivery and development business, sold on 28 October 2003.

In 2002, other loans comprises of:

- a non-interest bearing loan, with a related party, of US\$6,500,000 which was repayable on September 29, 2004 and was unsecured. This loan was settled in February 2004.
- the longer term portion of the loan further described in Note 24 was US\$15,000,000 and was repayable on September 30, 2004. The loan had interest at LIBOR dollar rate plus 2% per annum and was unsecured. This loan was fully settled by February 2004.

In 2002, "Other creditors" included amounts due in respect of deferred consideration arising on the purchase of the remaining US rights to Permax (see note 24).

### Analysis of repayments

Bank overdrafts, bank loans and other loans are repayable as follows:

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Within one year or on demand	35,398	40,000	49,966	35,398	40,000	49,776
Between one and two years	—	31,500	—	—	31,500	—
Between two and five years	—	5,000	7,190	—	5,000	7,190
	35,398	76,500	57,156	35,398	76,500	56,966

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The future minimum lease payments to which the Group and the Company are committed under finance leases are as follows:

	Group			Company		
	2003 \$'000	2002 \$'000	2001 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Less than one year	—	21	158	—	—	—
Between one and two years	—	231	—	—	—	—
Between two and five years	—	—	—	—	—	—
Less: interest	—	(40)	(2)	—	—	—
	—	212	156	—	—	—
Less: current maturities	—	(19)	(156)	—	—	—
Long-term maturity	—	193	—	—	—	—

## 26. Provisions for liabilities and charges

### Group and Company

	National Insurance \$'000	Transdermal Provision \$'000	Total \$'000
At 1 January 2001	85	3,393	3,478
Payments made in the year	—	(1,133)	(1,133)
Charged/(released) to the profit and loss account	39	(1,183)	(1,144)
At 31 December 2001 and at 1 January 2002	124	1,077	1,201
(Released) to the profit and loss account	(74)	(1,077)	(1,151)
At 31 December 2002 and at 1 January 2003	50	—	50
(Released) to the profit and loss account	(50)	—	(50)
<b>At 31 December 2003</b>	—	—	—

The provision for employer's National Insurance contributions shown above relates to amounts due on the exercise of certain share options held by employees provided in accordance with UITF 25 and will accumulate over the vesting period of relevant options. No such provision is required at the year end as the exercise price of the options is above market price.

The Transdermal provision shown above represented the estimated costs to be incurred in terminating the contracts that were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities.

## 27. Financial instruments

The Group has available financial instruments including preference shares, borrowings, finance leases, provisions, cash and other liquid resources, and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

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It is, and has been throughout the year under review, the Group's policy not to enter into derivative transactions. This was also the case in the 2002 and 2001 financial years. The Group has held ordinary shares in other companies as current asset investments and these are shown on the balance sheet. However, the holding of investments in other companies is no longer a principal activity of the Group and during the last three years the majority of these holdings have been provided against where no market exists for them, or sold where possible. At 31 December 2003 the value of traded shares in other companies was \$Nil (2002: \$Nil, 2001: \$71,000) and the gain made in the year on the sale of current asset investments credited to the profit and loss account was \$Nil (2002: \$Nil, 2001: \$34,000).

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. It has been, and continues to be the policy of the Board throughout this process to minimise the exposure of the Group to these risks. The Group has historically financed its operations through a number of loan facilities. The Group has, where possible, entered into long term borrowing facilities in order to protect short term liquidity.

During the majority of 2003, the Group had two principal overseas operations in different territories: the USA and Sweden. The revenues and expenses of the operations in the USA were denominated in US dollars and those of the Swedish operation in Swedish Kroner. In 2003 sales to the US accounted for approximately 36% (2002:89%, 2001:88%) of the Group's total revenues. In order to protect the Group's liquidity from fluctuations in the US dollar/sterling exchange rate, the bulk of the Group's borrowings were denominated in US dollars. During October 2003 the Swedish subsidiary was sold and during February 2004 the American subsidiary was sold. The Swedish subsidiary was supported by a bank overdraft denominated in Swedish Kroner. Further financing for it was provided out of Group funds. The US business was supported by US dollar loans held by Group companies with the US dollar as their functional currency.

The balance sheet positions at 31 December 2003, 2002 and 2001 are not representative of the position throughout the period as cash and short-term investments, loans and shares fluctuate considerably depending on when fund-raising activities have occurred. Short-term debtors and creditors have been excluded from all the following disclosures, other than currency risk disclosures, as permitted by Financial Reporting Standard 13 ("Derivatives and other financial instruments").

### Interest rate risk profile of financial liabilities

The Group's financial long term liabilities, other than short-term creditors (which have been excluded), comprise provisions, finance leases, loans and preference shares.

	2003				2002				2001			
	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sterling	—	—	—	—	—	—	50	50	—	—	1,201	1,201
Swedish Kroner	—	—	—	—	212	—	—	212	346	—	—	346
US Dollar	—	—	—	—	15,000	—	21,500	36,500	—	—	7,190	7,190
Financial liabilities	—	—	—	—	15,212	—	21,550	36,762	346	—	8,391	8,737
Preference shares	—	—	—	—	—	3,220	—	3,220	—	6,649	—	6,649
Total	—	—	—	—	15,212	3,220	21,550	39,982	346	6,649	8,391	15,386

During 2003, all long term obligations to Elan became due within one year of the balance sheet date. Previously the floating rate financial liabilities comprised loans, finance lease obligations and bank overdrafts. These bore interest at rates based on national LIBID equivalents.

At 31 December 2002 and 2001 the interest free liabilities comprised provisions (see note 26), other loans and deferred consideration (see note 25). The maturity of the provisions depended on when certain employee share options were exercised, and when certain agreements were terminated. The interest free loan was repayable by 29 September 2004. The deferred consideration at the 2002 year end was payable in quarterly instalments between January 2004 and June 2005 (see note 25 and 38 for details of the renegotiation of this deferred consideration since the 2002 year end).

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The preference shares attracted dividends at 3% per annum and were not redeemable but were convertible on, or after, 30 December 2001. During 2002, 2,129,819 of these shares were converted into ordinary shares. The remaining 2,000,000 were converted in 2003 (see note 28).

### Interest rate risk profile of financial assets

The Group's financial assets, other than short-term debtors, which have been excluded, comprise cash, short-term deposits and current asset investments.

	2003				2002				2001			
	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sterling	318	—	—	318	3,217	—	—	3,217	1,549	—	—	1,549
Euro	—	—	—	—	—	—	—	—	1,610	—	—	1,610

Swedish Kroner	—	—	—	—	92	—	—	92	42	—	—	42
US Dollar	1,779	—	—	1,779	20,956	—	—	20,956	30,105	—	71	30,176
Total	2,097	—	—	2,097	24,265	—	—	24,265	33,306	—	71	33,377

The floating rate financial assets comprise cash balances. The majority of cash is generally held in floating rate accounts earning interest based on relevant national LIBID equivalents. The 2001 interest free financial asset was a current asset investment in the shares of another company (see note 23), which was fully provided for in 2002.

### Foreign currency risk profile

During 2003, the Group disposed of its Swedish subsidiary and also changed its functional and reporting currency from sterling to US dollars.

Only Group companies with US Dollars as their functional currency have significant monetary assets and liabilities in currency other than their local currency. At 31 December 2003, Group companies held sterling monetary assets of \$807,000 and monetary liabilities of \$3,200,000.

At 31 December 2002 when the functional currency of the Group was sterling, Group Companies held US dollar monetary assets of £29,256,000 (2001: £21,530,000), US dollar monetary liabilities of £37,304,000 (2001: £38,795,000), various EU monetary assets of £637,000 (2001: £1,000,000,) and various EU monetary liabilities of £544,000 (2001: £Nil).

### Fair values

The preference shares described in note 28 were not traded on an organised market. All preference shares have been converted into ordinary shares as at the 2003 balance sheet date.

At 31 December 2003, the Group owed Elan the following amounts, all of which were renegotiated during 2003 as to be due 31 March 2004. All amounts fell due within one year and the directors consider that the carrying amounts approximate to their fair value due to the short time to maturity.

- US\$6,500,000 non-interest bearing loan
- US\$3,898,000 non-interest bearing deferred consideration
- US\$25,000,000 interest bearing loan

In the opinion of the directors, the carrying amount of all other significant financial instruments approximates to their fair value, due to their short maturity periods or floating rate interest rates.

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### Maturity risk profile

	2003 Finance			2002 Finance			2001 Finance		
	Debt \$'000	leases \$'000	Total \$'000	Debt \$'000	leases \$'000	Total \$'000	Debt \$'000	leases \$'000	Total \$'000
In one year or less	35,398	—	35,398	40,000	19	40,019	49,776	156	49,932
In more than one year but less than two years	—	—	—	31,500	—	31,500	—	—	—
In more than two years but not more than five years	—	—	—	5,000	193	5,193	7,190	—	7,190
Total	35,398	—	35,398	76,500	212	76,712	56,966	156	57,122

The Group's preference shares and provisions have not been included in the above table, as the preference shares are not redeemable but were convertible on or after 30 December 2001 (see note 28) and were converted into ordinary shares during 2002 and 2003. The maturity of the provisions depended on when certain employee share options were exercised, and when certain agreements were terminated.

At 31 December 2003, the Group had no overdraft facilities. In 2002 and 2001, the Group had overdraft facilities of SEK 4,000,000, of which SEK 4,000,000 was undrawn at 31 December 2002 (SEK 2,100,000 undrawn in 2001). The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001: 5.3%).

See note 25 and 39 for details of the renegotiation of the other loan and deferred consideration subsequent to the year end.

### 28. Called-up share capital

	2003 \$'000	2002 \$'000	2001 \$'000
<b>Authorised</b>			
95,000,000 ordinary shares of £1 each (50,000,000 for 31 December 2002 and 2001: 500,000,000 ordinary shares of 10p each)	152,828	80,495	80,495
5,000,000 3% cumulative convertible preference shares of £1 each (31 December 2002 and 2001: 5,000,000)	8,050	8,050	8,050
	<b>160,878</b>	<b>88,545</b>	<b>88,545</b>
<b>Allotted, called up and fully paid</b>			
17,939,786 ordinary shares of £1 each (31 December 2002: 9,838,158, ordinary share of £1 each, 31 December 2001: 76,743,893 ordinary shares of 10p each)	29,088	15,838	12,354
Nil 3% cumulative convertible preference shares of £1 each (31 December 2002: 2,000,000 and 2001: 4,129,819)	—	3,219	6,648
	<b>29,088</b>	<b>19,057</b>	<b>19,002</b>

During the year ended 31 December 2002, the nominal value of the ordinary shares was converted from 10p to £1 and 2,129,819 of the 3% cumulative convertible preference shares of £1 each were converted into ordinary shares. During 2003 the remaining 2,000,000 3% cumulative convertible preference shares were converted into ordinary shares. During July 2003, the authorised share capital was increased by 45,000,000 ordinary shares of £1 each.

#### Issue of share capital

During January 2003, the Company raised \$21,197,000 of additional funds through the issue of 6,093,728 new ordinary shares at \$3.4785 per share. The proceeds together with cash on hand at the year end were partially utilised to repay the following amounts to Elan Pharma International Limited (“EPIL”), a related party:

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- \$2,459,880 in respect of interest accrued to 16 January 2003;
- \$17.5 million in part repayment of the loans from EPIL; and
- \$8,641,387 in respect of other amounts related to Permax.

EPIL also agreed to further defer the instalments under the loan by one year. At that time therefore \$10 million was due in September 2004 (originally 2003) and \$15 million in September 2005 (originally 2004). EPIL also agreed to waive three quarterly instalments for the purchase of Permax totalling \$7.5 million (see note 39). During 2003, the debt was restructured again - see note 39 for details of further restructuring of amounts due to EPIL.

In February 2003, the remaining preference shares (2,000,000) were converted into 2,000,000 1 ordinary shares.

During the year ended 31 December 2003, 7,900 £1 ordinary shares were issued in respect of share options being £7,900 nominal value in aggregate for a total consideration of \$12,000. During the year ended 31 December 2002, 34,000 £1 ordinary shares (\$55,000) were issued in respect of share options (2001: 7,598,133 10p shares) being £34,000 nominal value in aggregate (2001: \$1,224,000) for a total consideration of \$198,000 (2001: \$4,421,000).

In 2001, 1,000,000 10p ordinary shares (\$161,000) were issued to Lehman Brothers International (Europe) upon conversion of an unsecured loan note of US\$500,000, valued at \$675,000.

The preference shares continue to form part of the Company’s authorised share capital (although none are now in issue) and confer to the holders the right to receive fixed cumulative preferential dividends at a rate of 3% per annum (net of withholding taxes) on the amount paid up on such shares. Such a dividend is paid if in the reasonable opinion of the Directors the profits justify such payments. The preference shares shall rank for dividend in priority to any other shares issued from time to time by the Company.

On a return of capital on a winding up or otherwise, the preference share holders will be repaid the amounts paid up on their preference shares, together with any arrears and accruals of the fixed cumulative preferential dividend. The preference shares do not entitle the holders to vote at general meetings except on any specific resolution directly and adversely affecting their rights, when they are entitled to such number of votes as they would have had had their preference shares been converted into ordinary shares. Each £1 preference share is convertible into one ordinary share of £1 each, on or after the second anniversary of the date of issue, or earlier on the occurrence of certain trigger events. These shares were issued in 1999. As indicated above certain of the preference shares were converted during 2002 and the balance were converted in February 2003.

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## 29. Options and warrants over shares of Amarin Corporation Plc

Number of share options outstanding*	Note	Date Option Granted	Exercise price per Ordinary Share*		Number of share options repriced at US\$5.00 per Ordinary Share (Note 15)
			£	US\$	
4,150	1, 14,17	22 June 1994	34.24	61.30	4,150
1,025	1, 14,17	30 November 1995	48.21	86.30	1,025
1,700	1, 14,17	30 November 1996	32.12	57.50	1,700
12,500	2, 14,17	9 May 1997	34.91	62.50	12,500
2,200	3, 14,17	10 July 1997	27.93	50.00	2,200
100,000	3, 14	23 November 1998	13.97	25.00	100,000
250,000	4	23 November 1998	2.79	5.00	—
11,400	5,17	23 November 1998	0.84	1.50	—
5,000	6	2 March 1999	4.02	7.20	—
5,500	7	7 September 1999	1.68	3.00	—
10,000	6	9 February 2000	1.68	3.00	—
10,000	6	9 February 2000	3.69	6.63	—
90,000	6	1 March 2000	1.68	3.00	—
37,500	7	1 April 2000	1.68	3.00	—
10,000	6	7 April 2000	1.68	3.00	—
5,000	7	23 May 2000	1.68	3.00	—
3,293	7	26 September 2000	1.68	3.00	—
15,842	8	24 October 2000	2.18	3.90	—
30,000	9	11 December 2000	3.02	5.40	—
30,000	6	19 February 2001	3.41	6.13	—
45,000	10	4 June 2001	4.86	8.70	—
395,000	10	2 July 2001	5.59	10.00	—



6,000	10	27 July 2001	7.21	12.90	—
10,000	10	14 August 2001	10.61	19.00	—
15,000	10	31 August 2001	9.50	17.00	—
4,000	10	27 September 2001	9.72	17.40	—
10,000	10	12 December 2001	8.94	16.00	—
171,003	11	12 December 2001	8.94	16.00	—
385,267	10, 12	23 January 2002	9.89	17.70	—
80,000	10	18 February 2002	7.43	13.30	—
20,000	13	1 May 2002	8.80	15.75	—
20,000	13	1 May 2002	7.41	13.26	—
20,000	13	1 May 2002	9.86	17.65	—
20,000	13	1 May 2002	11.00	19.70	—
15,000	13	1 May 2002	11.90	21.30	—
20,000	13	1 May 2002	9.38	16.80	—
60,000	13	1 May 2002	9.70	17.37	—
19,998	13	1 May 2002	7.13	12.77	—
88,674	13, 16	19 July 2002	1.96	3.50	—
667	13	19 July 2002	7.49	13.40	—
3,500	13	19 July 2002	6.70	12.00	—
5,000	13	19 July 2002	4.92	8.80	—
197,200	13	5 September 2002	1.84	3.33	—
100,000	13,17	6 November 2002	1.56	2.78	—
60,000	13	6 November 2002	1.95	3.50	—
372,167	13	6 November 2002	1.73	3.10	—
120,933	13	24 February 2003	1.77	3.17	—
200,000	13	3 March 2003	1.58	2.82	—
20,000	13	31 March 2003	1.42	2.55	—
40,000	13	29 April 2003	1.58	2.82	—
33,000	13	2 July 2003	1.88	3.37	—
70,000	13	1 August 2003	1.82	3.25	—
10,000	13	25 August 2003	1.27	2.28	—
10,000	13	2 September 2003	1.37	2.45	—
3,282,519					121,575

Share options granted to date are denominated in US dollars. For disclosure purposes the exercise price of these options has been retranslated into Sterling at the year end exchange rate of US\$1.7901/£1.

During 2002, the Company introduced a new option plan. The terms of this plan are substantially the same as existing plans.

Notes:

\* During 2002, the nominal value of ordinary shares was converted from 10p to £1 each, resulting in the number of shares reducing by a factor of 10 and increasing the exercise price by a factor of 10.

1. These options may be exercised after four years and before ten years from the date of grant. Certain options held by ex-directors and ex-employees are exercisable immediately and expire at dates up to 54 months from the date of grant.

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2. These options are now exercisable and remain so until they expire on 9 May 2007.

3. When granted these options were to become exercisable in tranches upon the Company's share price achieving certain pre-determined levels. On 9 February 2000, the Company's remuneration committee approved the re-pricing of the remaining 100,000 options to an exercise price of US\$0.50 per share (now US\$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1), exercisable immediately and lapsing ten years from the date of grant.

4. Of these options 80% became exercisable immediately and 20% after six months from date of grant. 200,000 of the total options granted remain exercisable until 54 months from date of grant and 250,000 until ten years from date of grant.

5. These options can be exercised after three years but before ten years from the date the option is granted.

6. These options are exercisable now and remain exercisable until ten years from date of grant.

7. These options were granted to a former employee of Amarin Corporation plc, are now exercisable and expire on 30 November 2008.

8. The remaining options granted on this date are exercisable in tranches of 33% from the date of grant then on the first and second anniversary of the date of grant.

9. These options were exercisable in tranches of 33% over three years, all are exercisable at 31 December 2002. The expiry date of the options has been brought forward to 3 December 2004.

10. These options become exercisable in tranches of 33% over three years on the date of the grant then on the first and second anniversaries of the date of grant and remain exercisable for a period of ten years from the date of grant.

11. These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date of grant and expire 10 years from the date of the grant.
12. 9,900 of the total options were granted to a former API New Jersey employee. The expiry date for this grant has been brought forward to 3 December 2004.
13. These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date employment commences. The options expire 10 years from the date of the grant.
14. 648,770 options were granted on 8 December 1999, in order to effect the re-pricing mentioned in Note 15 below. The options vest and expire at the same dates as those attaching to the original grants except in the case of certain ex-employees where the options expired on 29 December 2000. It is a condition of the award of these options that, upon exercise, the awardee will surrender a like number of options from the original grant. Therefore the original grant has been shown as being repriced in the table above, and the replacement grant has been excluded.
15. As disclosed in a Shareholders' Circular dated 30 October 1998, the Board decided that all existing share options held by current employees and current directors as at 21 October 1998, who were not serving notice would be repriced at US\$0.50 per share (now US\$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1). Other terms of the grants affected by this re-pricing were left unchanged. For certain options this change was effected at the directors' discretion, with the remainder being effected by grant described at Note 14 above (Note 3 applies to those options which were granted on 23 November 1998).
16. 1,980 of the options granted on 19 July 2002 were to a former API New Jersey employee and the expiry date has been brought forward to 3 December 2004.

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17. The sale of the Swedish subsidiary, Amarin Development (Sweden) AB was completed on the 29<sup>th</sup> October, 2003. All outstanding 32,975 options issued to Swedish employees are now deemed to lapse one year from the date of the sale, being 28 October, 2004.

#### Warrants in shares of Amarin Corporation plc

At 31 December 2003, warrants have been granted over ordinary shares as follows:

<u>Number of warrants outstanding</u>	<u>Note</u>	<u>Date warrant granted</u>	<u>Exercise price per ordinary share</u>
Restated*			
30,000	1	20 July 1999	US\$8.00
313,234	2	27 January 2003	US\$3.48
<b>343,234</b>			

Subsequent to the end of the year 500,000 warrants were granted to Elan at a price of \$1.90.

\* During 2002, the nominal value of ordinary shares was converted from 10p to £1 each, resulting in the number of shares reducing by a factor of 10 and increasing the exercise price by a factor of 10.

Notes:

- 1) The Company issued 30,000 warrants on 20 July 1999 as a retainer for financial advisory services from Petkevich & Partners for the period 20 July 1999 to 20 July 2000. On the date of grant the warrants were fully vested, non-forfeitable and exercisable from 20 July 1999 until 20 July 2004. No warrants had been exercised at 31 December 2003.
- 2) During January 2003, via the private placement referred to in note 28, 313,234 warrants were issued to Security Research Associates Inc. and may be exercised between 27 January 2004 and 26 January 2008.

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#### 30. Share premium account and reserves

Group

	<u>Share premium account</u>	<u>Merger reserve</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
At 1 January 2001	58,057	(1,653)	(40,462)	15,942
(Loss) for the year	—	—	(5,464)	(5,464)
Premium on share issue	3,352	—	—	3,352
Exchange difference on consolidation	—	—	(35)	(35)
At 31 December 2001 and at 1 January 2002	61,409	(1,653)	(45,961)	13,795
Premium on share issue	144	—	—	144
Share issuance costs	(407)	—	—	(407)
(Loss) for the year	—	—	(37,169)	(37,169)
Exchange difference on consolidation	—	—	(1,628)	(1,628)

At 31 December 2002 and at 1 January 2003	61,146	(1,653)	(84,758)	(25,265)
Premium on share issues	11,181	—	—	11,181
Share issuance costs	(2,104)	—	—	(2,104)
(Loss) for the year	—	—	(19,248)	(19,248)
Release on disposal	—	1,653	(1,653)	—
<b>At 31 December 2003</b>	<b>70,223</b>	<b>—</b>	<b>(105,659)</b>	<b>(35,436)</b>

### Merger reserve

The business combination of the Company and Gacell Holdings AB was treated as a merger. The merger reserve arising on consolidation consists of the cost of the investment by the Company in Gacell Holdings AB less the share capital of Gacell Holdings AB. The merger reserve was released following the disposal of the Gacell Holdings AB.

The cumulative value of goodwill written off to reserves up until 31 December 2003, 2002 and 2001 was \$3,007,000.

### Company

	Share premium account	Profit and loss account	Total
	\$'000	\$'000	\$'000
At 1 January 2001	55,331	(40,476)	14,855
(Loss) for the year	—	(5,562)	(5,562)
Premium on share issue	3,352	—	3,352
At 31 December 2001 and at 1 January 2002	58,683	(46,038)	12,645
Premium on share issue	144	—	144
Share issuance costs	(407)	—	(407)
(Loss) for the year	—	(37,625)	(37,625)
At 31 December 2002 and at 1 January 2003	58,420	(83,663)	(25,243)
Premium on share issue	11,181	—	11,181
Share issuance costs	(2,104)	—	(2,104)
(Loss) for the year	—	(31,254)	(31,254)
<b>At 31 December 2003</b>	<b>67,497</b>	<b>(114,917)</b>	<b>47,420</b>

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### 31. Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements amounted to \$Nil at 31 December 2003 (31 December 2002: \$Nil, 31 December 2001: \$Nil).

### 32. Financial commitments

(a) The Group had annual commitments under non-cancellable operating leases as follows:

	2003		2002		2001	
	\$'000		\$'000		\$'000	
	Land and Buildings		Land and Buildings		Land and Buildings	
	Group	Company	Group	Company	Group	Company
Expiring within one year	171	—	—	—	—	—
Expiring between two and five years inclusive	—	—	31	—	180	—
Expiring in over five years	1,003	503	972	441	1,075	441
	<b>1,174</b>	<b>503</b>	<b>1,003</b>	<b>441</b>	<b>1,255</b>	<b>441</b>

The other non-cancellable operating leases which existed at the year end were sold on 25 February 2004.

Minimum payments under non-cancellable operating leases for the next five years are as set forth below:

	Land and Buildings	Land and Buildings
	\$'000 Group	\$'000 Company
2004	1,174	503
2005	1,003	503
2006	1,003	503
2007	920	503
2008	503	503
	<b>4,603</b>	<b>2,515</b>

Minimum payments under non-cancellable operating leases for the years 2009 and beyond are \$1,694,000 (Company: \$1,694,000) which are for land and buildings. No new leases were signed during 2003.

On October 15, 2001 the Group acquired a six year lease, with an option for a further six years, on office premises in San Francisco, California. The rental is \$362,000 per annum and increases after three years in line with the Consumer Price Index. Rent expense for the year 2001 was \$76,000.

On April 27, 2001 the Company acquired a nine year lease for premises in London, UK. The rental is \$189,000 per annum and is subject to review in 2005. Rent expense for 2001 was \$113,000.

Further consideration may become payable upon completion of certain milestones in relation to product rights acquired in 2000 (see notes 18 and 39).

### 33. Contingent liabilities

The Group is not presently subject to any litigation alleging product liability. The Group has, however, recently received a notice of claims of personal injury and/or death from valvular heart disease allegedly associated with Permax. The Group cannot predict whether litigation will follow, or the outcome of any such litigation. The Group intends to take all appropriate action to protect its interests with respect to these claims.

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Subsequent to the end of the year, as disclosed in note 9, the Group sold its US business to Valeant Pharmaceuticals International ("Valeant"). Subsequent to the closing of the sale, it became apparent from wholesalers that they held approximately \$6 million of additional Permax inventory above that known at the time of closing the sale. Valeant is seeking to reduce the consideration it paid in respect of this new information but the Group does not believe that it is liable for any returns in respect of this inventory. The Group intends to take all appropriate action to protect its interests with respect to this matter.

### 34. Reconciliation of net cash flow to movement in net debt

	2003 \$'000	2002 \$'000	2001 \$'000
(Decrease)/increase in cash in the period	(22,168)	(8,851)	30,945
Cash outflow/(inflow) from decrease/(increase) in borrowings	33,605	2,769	(47,110)
Cash outflow/(inflow) from decrease in current asset investments	—	—	(16,131)
Change in net debt resulting from cash flows	11,437	(6,082)	(32,296)
Other non-cash items	7,500	(12,219)	—
Foreign exchange differences on borrowings	—	(10,142)	(181)
Disposal of finance leases	212	—	—
Conversion of debt to equity	—	—	675
Mark to market of current asset investments	—	(71)	—
Movement in net debt in the period	19,149	(28,514)	(31,802)
Net debt at 1 January	(52,450)	(23,936)	7,866
Net debt at 31 December	(33,301)	(52,450)	(23,936)

### 35. Analysis of net debt

	At 31 December 2000 \$'000	Cash flow \$'000	Other non cash changes \$'000	At 31 December 2001 \$'000	Cash flow \$'000	Other non cash changes \$'000	At 31 December 2002 \$'000	Cash flow \$'000	Other non cash changes \$'000	At 31 December 2003 \$'000
Cash at bank and in hand	2,172	31,135	—	33,307	(9,041)	—	24,265	(22,168)	—	2,097
Overdrafts	—	(190)	—	(190)	190	—	—	—	—	—
	2,172	30,945	—	33,117	(8,851)	—	24,265	(22,168)	—	2,097
Debt due after one year	(10,088)	2,404	494	(7,190)	—	(29,313)	(36,503)	17,500	19,003	—
Debt due within one year	—	(49,776)	—	(49,776)	2,576	7,201	(40,000)	16,105	(11,503)	(35,398)
Finance leases due after one year	(151)	—	151	—	—	(193)	(193)	—	193	—
Finance leases due within one year	(267)	262	(151)	(156)	193	(56)	(19)	—	19	—
	(10,506)	(47,110)	494	(57,122)	2,769	(22,361)	(76,715)	33,605	7,712	(35,398)
Current asset investments	16,202	(16,131)	—	71	—	(71)	—	—	—	—
Total	7,868	(32,296)	494	(23,934)	(6,082)	(22,432)	(52,450)	11,437	7,712	(33,301)

### 36. Major non-cash transactions

During 2003, the Group obtained a waiver of \$7,500,000 against non-interest bearing debt owed to Elan, a related party.

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During 2002, 2,129,819 3% cumulative preference shares of £1 each were converted into 2,129,819 ordinary shares of £1 each. During 2003, the remaining 2,000,000 preference shares were converted into 2,000,000 ordinary shares of £1 each.

During 2001, an unsecured loan with an outstanding amount of \$675,000 repayable on 30 June 2005, bearing 11% interest was converted into 100,000 ordinary £1 shares.

### 37. Pensions

The Group operates a number of defined contribution money purchase pension schemes for certain eligible employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions paid and payable by the Group to the fund and amounted to \$160,000 (year to 31 December 2002: \$375,000, year to 31 December 2001: \$250,000). At the year end there was a liability of \$5,000 (31 December 2002: prepaid amount of \$2,000, 31 December 2001: \$Nil).

### 38. Post balance sheet events

On 25 February 2004, the Group sold its interests in Amarin Pharmaceutical Inc, Permax, Zelapar and the primary care portfolio to Valeant Pharmaceuticals International. Consideration comprised \$38,000,000 in cash and \$8,000,000 in two milestones. The Group retained obligations totalling \$13,000,000 to complete clinical studies on Zelapar and repurchase inventory from wholesales. The carrying values of the Permax and primary care portfolio have been written down to their recovered amounts (see note 18). Additionally, on 25 February 2004, the Group settled all its existing debt and deferred payment obligations to Elan through the payment of \$17,195,000 in cash and a \$5,000,000 loan note (see note 39). Other than the crystallisation of the \$7.5 million deferred tax asset, no tax arises on these post balance sheet events.

### **39. Related party transactions**

#### **A. Elan**

During the three years ended December 31, 2003, and subsequent to the year-end, we entered into certain contracts, and varied the terms of other contracts, with Elan, which is a related party. The directors consider that transactions with Elan have been entered into on an arm's length basis. Details of such transactions involving Elan are given below.

During the year ended December 31, 2001, we repaid to Elan an outstanding loan in the principal amount of £1,240,000 (\$1,996,000) together with all interest accrued thereon. This loan was paid prior to the scheduled maturity date of April 6, 2003. No penalty or premium was paid in connection with such prepayment.

During the year ended December 31, 2001 the Company made sales to Elan companies amounting to £687,000 (\$1,000,000) for goods, services, and research.

#### **Permax**

On May 29, 2001 the Board of Directors approved a Distribution, Marketing and Purchase Option Agreement with Elan relating to the Parkinson's disease product, Permax. This was amended and restated on September 28, 2001, (the "Permax Agreement") and gave the Company the exclusive US marketing, distribution and purchase option rights to this product.

Under the Permax Agreement, the Company was appointed exclusive US distributor for Permax until May 16, 2002, with an option to acquire Elan's continuing rights in the product. As a part of the Permax Agreement the Company made payments of \$47,500,000 to Elan in consideration for the rights and purchase option with a further \$37,500,000 payable by way of deferred consideration over the course of the following three years (the "Deferred Consideration").

The Company also agreed to pay Elan royalties on Permax sales. As part of the transaction, the Company received a loan from Elan for the amount of \$45,000,000, which matured in September 2002 (the "Elan Loan").

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#### **Zelapar**

In May 2001 we paid a non-refundable option fee of \$100,000 to acquire the US rights to Zelapar from Elan (the "Zelapar Agreement"). The option to acquire the US rights to Zelapar was exercisable at any time up to 30 days after FDA approval of the NDA for Zelapar. The Zelapar Agreement required us to make four milestone payments of up to \$42,500,000 plus running royalties based on a percentage of net sales of Zelapar in the US for the first eight years following exercise. Elan were obliged at this time to pay all research and development costs including filing costs for an NDA up to and including approval of the NDA by the FDA.

#### **Acquisition of Rights to Permax**

In March 2002 we exercised our purchase option under the Permax Agreement to acquire, and completed the acquisition of, the remaining US rights to Permax from Elan. Following the close of the transaction, we replaced Elan as Eli Lilly's exclusive licensee for Permax in the US.

#### **Elan Equity Stake in Amarin**

In March 2002, Elan converted 2,129,819 Preference Shares into an equivalent number of Ordinary Shares. Effective February 2003, Elan converted its remaining 2,000,000 Preference Shares into 2,000,000 Ordinary Shares. Elan has the right to include these Ordinary Shares, together with its remaining 2,653,819 Ordinary Shares and ADSs, in a registration statement filed by us.

Elan agreed with us that, until October 1, 2003, it would not sell, transfer or otherwise dispose of any of the Ordinary Shares, ADSs or Preference Shares held by it, provided that Elan would not have been prevented from:

- converting Preference Shares into Ordinary Shares;
- accepting any offer made to all holders of our Ordinary Shares to acquire all or part of our issued Ordinary Share capital;
- transferring any securities to a subsidiary or holding company of such shareholder; or
- selling Ordinary Shares or ADSs where the purchaser entered into a written agreement confirming its intention to hold such Ordinary Shares for a period ending not earlier than September 30, 2003 and the per share sale price of such Ordinary Shares was not less than 90% of the closing sale price of our ADS's on the Nasdaq National Market for the five trading days immediately prior to the date of such sale.

Elan has additional registration rights which are based on rights it acquired in 1998. These include the right to demand further registrations of its Ordinary Shares and ADSs. Such a registration may, at Elan's request, involve an underwritten offering, which Elan could commence at any time after January 1, 2004 if it includes in such offering at least 1,000,000 Ordinary Shares and ADSs and determines in good faith that such an underwritten offering is in its best economic interest.

#### **Restructuring of Elan Loan**

In July 2002 we restructured for the first time the Elan Loan originally scheduled for repayment in full on September 30, 2002. Under the revised payment schedule, the Elan Loan was to be repaid in four instalments of \$2,500,000 , \$17,500,000 , \$10,000,000 and \$15,000,000 , beginning in the third quarter of 2002.

### **Purchase of Manufacturing and Development Services and Other Services**

During 2001 and 2002, Elan paid us \$250,000 per quarter to secure manufacturing and development services from Amarin AB. During 2002, we purchased services from Elan amounting to \$250,000.

### **January 2003 Restructuring of Elan Obligations**

In conjunction with the closing of the private placement on January 27, 2003, we again restructured certain of the debt and milestone payments due or potentially due to, and certain of our contractual obligations with, Elan as indicated below.

#### **(i) Elan Loan**

We paid \$2,459,880 in cash out of our cash reserves to Elan as interest accrued on the Elan Loan to January 16, 2003. The Elan Loan was varied so that the instalments were rescheduled as follows:

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- the \$10,000,000 due and payable on September 30, 2003, together with accrued interest, became due and payable on September 30, 2004; and
- the \$15,000,000 due and payable on September 30, 2004, together with accrued interest, became due and payable on September 30, 2005.

In accordance with the terms of the Elan Loan on January 16, 2003 we paid \$17,500,000 to Elan that was previously due on December 31, 2002.

#### **(ii) Permax**

We paid \$8,641,387 to Elan in discharge of the current outstanding balance relating to Permax inventory, royalties and a \$2,500,000 quarterly instalment of Deferred Consideration.

The Permax Agreement was amended so that the Deferred Consideration was reduced by \$7,500,000 .

#### **(iii) Zelapar**

The Zelapar Agreement was amended so that the first sales milestone payable by us to Elan became \$17,500,000 rather than \$12,500,000. We also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs incurred for Zelapar.

#### **(iv) General**

We undertook to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell all or substantially all of our primary care portfolio and Amarin AB for upfront cash consideration of a reasonable sum and as expeditiously as is reasonably practicable. We agreed with Elan to apply the net proceeds from such sale or sales as follows:

- \$5,000,000 would have been payable to Elan, which amount would, if paid, have been credited against the first sales milestone for Zelapar which was \$17,500,000 as referred to above;
- prepayment of the remaining Deferred Consideration due under the Permax Agreement;
- prepayment of the \$6,500,000 loan due to Elan relating to the Carnrick group of products acquired from Elan in September 1999 and due in September 2004 (the "Carnrick Loan");
- prepayment of all sums then due under the Elan Loan ;
- payment of any additional amounts due Elan and; and
- if there is any remainder, applied in our sole discretion.

Elan had the right, at its sole discretion, to redirect the order in which the net proceeds of any such sales are applied as between the uses set out above. Additionally, after having paid the first \$35,000,000 of the net proceeds of any sale in the manner set out above, we could at our option have deferred payment of 50% of any balance due to Elan for a period of six months from the closing of such sale or sales.

We also agreed with Elan that if at any time and from time to time prior to our payment in full of the balance of the non-refundable sum of \$30,000,000 due Elan for the acquisition of Permax, the Carnrick Loan and the Elan Loan, we received financing relating to the issuance of equity securities, warrants to acquire equity securities or debt convertible into equity securities, we would apply one-half of the net proceeds of such financing toward the payment of such obligations.

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## August 2003 Restructuring of Elan Obligations

In August 2003 we agreed with Elan as part of a comprehensive settlement of our debt obligations to Elan:

- to pay \$30,000,000 in cash no later than December 31, 2003;
- to pay \$10,000,000 in equity when Zelapar annual sales reach \$20,000,000;
- to continue to pay a 12.5% royalty on future sales of Zelapar; and
- in the event that we raised funds in excess of \$40,000,000 from the disposal of non-core assets and/or financing, we agreed to use half the excess to reduce the existing Zelapar royalty of 12.5% at the rate of one-half of one percent for each \$1 million per half of 1%, up to a maximum of 5%.

In consideration for the foregoing, Elan agreed to:

- a moratorium on debt and interest payments until December 31, 2003;
- full and final settlement of all the Elan Loan, the Carnrick Loan and the Deferred Consideration;
- elimination of existing option and milestone payments relating to Zelapar;
- in connection with this agreement we granted to Elan a fixed and floating charge over all of our assets, to be reduced to \$5,000,000 upon payment of the \$30,000,000 no later than the year-end.

## December 2003 Restructuring of Elan Obligations

In December 2003 the Company agreed with Elan that, if the \$30,000,000 minimum payment was not made by December 31, 2003, the present year-end deadline for debt repayment would be extended to March 31, 2004 in consideration of the payment to Elan of interest (calculated at 1% per month on the outstanding balance) and a one-off payment to Elan of \$1,500,000. Elan also agreed that the Company could retain a further \$2,000,000 per month for the first three months of 2004 from the net proceeds from the sale of ADAB in order to fund the Company's operating deficit through the first quarter of 2004. Draw down of these funds was subject to the Company demonstrating to Elan's satisfaction that the Company has a reasonable prospect of consummating a transaction to settle the Elan debt by March 31, 2004

## Sale of API/February 2004 Restructuring of Elan Obligations

Simultaneously with the closing of our asset purchase agreement with Valeant Pharmaceuticals International ("Valeant"), we reached a full and final agreement with Elan regarding the settlement of our renegotiated outstanding financial obligations. Under the terms of this agreement with Elan the amount of \$24,400,000 then required to discharge our obligations to Elan was amended so that we would pay Elan approximately \$17,200,000 in cash on closing of the Valeant transaction, plus a further payment of \$1,000,000 on the successful completion of the Zelapar safety trials to discharge these obligations.

We also agreed to issue a \$5,000,000 5-year loan note to Elan with capital repayment as follows:

- \$1,500,000 in January 2006
- \$1,500,000 in July 2007
- \$2,000,000 in January 2009

At Elan's option, the loan note can be repaid from proceeds Amarin is due to receive from a \$5,000,000 milestone payable by Valeant on the NDA approval of Zelapar. The loan note is also prepayable by us at any time, subject to a prepayment fee of \$250,000, and carries an interest rate of 8% per annum.

Additionally we agreed to issue 500,000 warrants to Elan priced at the average market closing price for our Ordinary Shares for the 30-day period prior to closing. As a result, Elan's fully diluted ownership in Amarin increased from 25.9% to 28.0%.

## B. Sale of Transdermal Business

In December 2001, the Company sold its 99.16% share of its South American transdermal business for a consideration of £214,000 (\$311,000) of which £177,000 (\$258,000) was outstanding at December 31, 2001. The 99.16% share was sold to a company formed and owned by the executive management team of Amarin Technologies S.A.

## C. Mr Ziegler

On 10 December 1999, S A Ziegler became a director of the Company and was a partner of Ziegler, Ziegler and Altman LLC, Counsellors at Law in the United States who provided professional services to the Group in the sum of \$406,000 during the year ended 31 December 2001.

Mr Ziegler resigned as a director of the Company on 29 May 2001 and is no longer considered to be a related party. At 31 December 2001 a balance of US\$113,000 was outstanding.

## D. Approval of related party transactions

All of the above transactions were approved in accordance with our policy for related party transactions. Our policy in 2003 was to require audit committee review of all transactions involving a potential conflict of interest, followed by the approval of a majority of the board of directors who do not have a material interest in the transaction.

## E. Transactions with Group companies

The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures", not to disclose information relating to transactions with Group companies at 31 December 2003.

### 40. Differences between UK GAAP and US GAAP

The financial statements of the Group have been prepared in conformity with UK GAAP which differs in certain significant respects from generally accepted accounting principles in the US ("US GAAP"). These differences have a significant effect on net income and the composition of shareholders' equity and are described below.

#### Summary of material adjustments to net (loss) and shareholders' (deficit)/equity

##### 1. Net (loss)

	Note	Year Ended 31 December 2003 \$'000	Year Ended 31 December 2002 \$'000	Year ended 31 December 2001 \$'000
Net (loss) in accordance with UK GAAP		(19,224)	(37,047)	(5,264)
Adjustment for functional currency	B	—	2,442	553
Adjustment for (loss) on securities available-for-sale	C	9	14	(8)
Adjustment for stock-based compensation and National Insurance	F	(50)	1,676	(1,589)
Adjustment for treatment of intangible fixed asset	K	576	832	657
Adjustment for revenue recognition	L	—	113	97
Gain on renegotiation of related party liability	M	(7,500)	—	—
Imputed interest on non-interest bearing debt	N	(449)	(467)	(431)
Accrual for PPA returns	O	—	—	541
Reversal of transdermal accrual	P	—	(375)	—
Adjustment for revenue recognition	R	348	(348)	—
Adjustment to Permax purchase consideration	S	(2,146)	2,146	—
Net loss as adjusted to US GAAP		<u>(28,436)</u>	<u>(31,014)</u>	<u>(5,444)</u>
		\$	\$	\$
US GAAP net (loss) per ordinary share (assuming dilution)		(1.66)	(3.34)	(0.76)*
US GAAP net (loss) per ordinary share (basic)		(1.66)	(3.34)	(0.76)*
US GAAP net (loss)/profit on continuing activities per ordinary share (assuming dilution)		(1.36)	(0.06)	0.83
US GAAP net (loss)/profit on continuing activities per ordinary share (basic)		(1.36)	(0.06)	1.41

\* During 2002 the nominal value of ordinary shares was converted from 10p to £1 each resulting in the number of shares reducing by a factor of 10, accordingly comparatives have been restated.

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	Note	31 December 2003 Number '000	31 December 2002 Number '000	31 December 2001 Number '000
Shares used in computing per ordinary share amounts assuming dilution	J	17,440	11,896	12,035*
Shares used in computing per basic ordinary share amounts	J	17,093	9,297	7,125*

##### 2. Shareholders' (deficit)/equity

	Note	31 December 2003 \$'000	31 December 2002 \$'000	31 December 2001 \$'000
Shareholders' (deficit)/equity in accordance with UK GAAP		(6,348)	(6,208)	32,797
Adjustment for functional currency	B	—	—	(3,227)
Adjustment for gain/(loss) on securities available-for-sale	C	16	6	(8)
Adjustment for National Insurance on stock options	F	—	50	124
Adjustment for treatment of intangible fixed asset	K	(4,149)	(4,724)	(5,557)
Adjustment for revenue recognition	L	(617)	(617)	(729)
Imputed interest on non-interest bearing debt	N	—	449	916
Accrual for PPA returns	O	—	—	—
Reversal of transdermal accrual	P	—	—	375
Adjustment for preferred dividend	Q	546	522	399
Adjustment for revenue recognition	R	—	(348)	—
Adjustment to Permax purchase consideration	S	—	2,146	—
Shareholders' (deficit)/equity in accordance with US GAAP		<u>(10,552)</u>	<u>(8,724)</u>	<u>25,090</u>



A. *Disclosures related to deferred taxes*

Management of the Group evaluated the positive and negative evidence impacting the realisability of the Group's net operating loss carryforwards. Due to the Group's history of generating operating losses, significant changes in its underlying products offering and limited periods of profitability, management concluded that a full valuation allowance is required with respect to its net operating loss carryforwards other than as explained in note 14. Following the introduction of FRS19 "Deferred Tax", UK GAAP is now similar to existing US GAAP in this area.

B. *Adjustment for change in functional and reporting currency and discontinued operations*

On 1 January 2003, the functional and reporting currency for the Group was changed to US dollars from sterling. Under UK GAAP, the comparative amounts as of 31 December 2002 and 2001, which have historically been reported in sterling, have been recalculated as if converted at the 31 December 2002 closing rate of \$1.6099.

Under US GAAP, the comparative income statement amounts as of 31 December 2002 and 2001 would be converted at the weighted average rate applicable for the period under review. For the year ended 31 December 2002, the rate was \$1.5038. For the year ended 31 December 2001, the rate was \$1.4413. Under US GAAP, the comparative balance sheet amounts would be converted at the applicable closing rate. For the year ended 31 December 2001, the rate was \$1.4515.

Additionally, as described in 'E. Discontinued operations' below, under US GAAP the discontinued activity within the Consolidated Profit and Loss Account would refer only to residual items from the sale of the South American Transdermal Patch business and the activity of the Swedish operations which were disposed of during October 2003. Under UK GAAP, discontinued operations also includes the activity of Amarin Pharmaceuticals Inc, as this was disposed of within 3 months of the 2003 year end.

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Set out below are the profit and loss accounts for the years ended 31 December 2003, 2002 and 2001, adjusted for the impact of the change in functional and reporting currency and showing continuing and discontinued operations on the US GAAP basis. The remaining items shown in Table 1 "Net (loss)" above needs to be added to these profit and loss accounts to arrive at the net loss in accordance with US GAAP.

	2003	2002	2001
	\$'000	\$'000	\$'000
Turnover	2,790	53,952	46,168
Cost of sales	(10,659)	(26,128)	(19,244)
Gross (loss)/profit	(7,869)	27,824	26,924
Operating expenses	(21,861)	(23,130)	(12,770)
Operating (loss)/profit	(29,730)	4,694	14,154
Interest receivable and similar income	65	364	789
Interest payable and similar charges	(900)	(2,194)	(427)
(Loss)/income from continuing operations before income taxes	(30,565)	2,864	14,516
Income taxes - credit/(charge)	7,320	(3,297)	(623)
(Loss)/income from continuing operations	(23,245)	(433)	13,893
(Loss) from discontinued operations	(9,055)	(35,178)	(18,376)
Gain/(loss) on disposal of discontinued operations	13,076	1,006	(228)
Net (loss)	(19,224)	(34,605)	(4,711)

On the face of the UK GAAP profit and loss account are certain items which are disclosed as exceptional. Under US GAAP these items would not represent extraordinary items and would, therefore, not be disclosed separately .

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C. *Treatment of marketable equity securities*

Under UK GAAP investments (including listed investments) held on a current or long-term basis are stated at the lower of cost or estimated fair value, less any permanent diminution in value. Under US GAAP the carrying value of our marketable equity securities is adjusted to reflect unrealized gains and losses resulting from movements in the prevailing market value. During 2002, the value of our current asset investments was written off to zero under UK GAAP and to the current market value under US GAAP.

Under US GAAP the fair value of current asset investments was \$16,000, \$6,000 and \$63,000 for the periods ended December 31, 2003, 2002 and 2001, respectively.

D. *Consolidated statement of cash flows*

The consolidated statement of cash flows has been prepared in accordance with UK GAAP, FRS 1 "Cashflow Statements" and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to classification of items within the cash flow statement.

Under UK GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, and financing activities. Under US GAAP, however, only three categories of cash flow activity are reported, being operating activities, investing activities and financing activities. Cash flows from taxation and payments for interest would be included as operating activities under US GAAP. The financing proceeds and debt repayments would be included under financing activities under US GAAP. Additionally the cashflow represents only the change in cash and cash equivalents which would exclude overdrafts under US GAAP.

Set out below, for illustrative purposes, is a summary consolidated statement of cash flows under US GAAP:

	Year Ended 31 December 2003 \$'000	Year Ended 31 December 2002 \$'000	Year Ended 31 December 2001 \$'000
Net cash (used in)/provided by operating activities	(20,504)	5,585	17,567
Net cash (used in) investing activities	(3,060)	(11,459)	(53,925)
Net cash provided by/(used in) financing activities	1,396	(3,167)	51,362
Net (decrease)/increase in cash and cash equivalents	<u>(22,168)</u>	<u>(9,041)</u>	<u>15,004</u>
Cash and cash equivalents at the beginning of the year	24,265	33,306	18,302
Cash and cash equivalents at the end of the year	2,097	24,265	33,306
Net (decrease)/increase in cash and cash equivalents	<u>(22,168)</u>	<u>(9,041)</u>	<u>15,004</u>

There is no significant effect of foreign exchange movements on cash balances.

*E. Discontinued operations (see also note B)*

On 28 October 2003, the Group disposed of its entire interests in its Swedish drug delivery and development business, comprising Gacell Holdings AB and Amarin Development (Sweden) AB. On 25 February 2004, the Group disposed of its entire interests in Amarin Pharmaceuticals Inc. In accordance with, UK GAAP (FRS 3 'Reporting Financial Performance') the Group has classified both these transactions as discontinued and has restated the comparatives on this basis.

Under US GAAP the Amarin Pharmaceuticals Inc. disposal would have been shown as continuing operations as it occurred after the balance sheet date.

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In the year ended 31 December 2001, the transdermal patch business was classified as discontinued operations under UK GAAP and the comparatives restated to reflect this. Under US GAAP this would have been shown as continuing operations. During 2002, a restructuring provision relating to the transdermal patch business disposal was released giving rise to a gain in the results for the year.

*F. Stock-based compensation and National Insurance*

Under UK GAAP the Company has recorded a provision for \$nil (31 December 2002: \$50,000, 31 December 2001: \$124,000) relating to National Insurance ("NI") amounts payable on stock option gains at the time of grant. Under UK GAAP NI contributions are accrued over the vesting period of the underlying option. Under US GAAP payroll taxes on stock options are accrued when the liability is incurred.

The Company has re-priced certain stock options issued to directors and employees. Under US GAAP these have been accounted for using variable plan accounting as directed by FIN 44, leading to an increase in net income of \$1,750,000 in 2002 (2001: decrease of \$1,628,000 in net income). In 2003, the impact is \$nil.

In 2002, the Company accelerated the vesting of 6,100 options held by terminated employees. This modification has been considered a re-pricing and will be accounted for using variable accounting. The impact of this in 2002 was minimal.

The Company applies APB Opinion No. 25 and related interpretations in accounting for its US share option plans. Had compensation for the Company's share option plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, the Company's net (loss) and net (loss) per share under US GAAP would have been the pro forma amounts indicated below:

	Year Ended 31 December 2003 \$'000	Year Ended 31 December 2002 \$'000	Year Ended 31 December 2001 \$'000
Net (loss) as reported	(28,436)	(31,014)	(5,444)
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(6,580)*	(3,703)	(5,078)
Add back total stock based compensation expense determined under the intrinsic value based method	—	(1,750)	1,628
Proforma net (loss)	<u>(35,016)</u>	<u>(36,467)</u>	<u>(8,894)</u>

\* Including in 2003, \$748,000 in respect of a charge now recognised in relation to 2002 and 2001.

	\$	\$	\$
Basic and diluted (loss) per ordinary share as reported	(1.66)	(3.34)	(0.76)
Proforma	(2.05)	(3.92)	(1.25)
Weighted average grant date fair value	2.06	6.50	8.05
Options granted at the market price			
Options granted at a premium to the market price	1.55	—	—
Options granted at a discount to the market price	—	—	15.62

The fair value for options granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions and no dividends.

	Year Ended 31 December 2003	Year Ended 31 December 2002	Year Ended 31 December 2001
<b>Options granted at the market price</b>			
Risk free interest rate (percentage)	2.51	5.00	5.13
Expected life (in years)	4.00	4.00	3.52
Volatility (percentage)	107	100	60
<b>Options granted at a premium to the market price</b>			
Risk free interest rate (percentage)	3.10	5.00	5.13
Expected life (in years)	4.00	4.00	3.52
Volatility (percentage)	108	100	60
<b>Options granted at a discount to the market price</b>			
Risk free interest rate (percentage)	—	5.00	5.13
Expected life (in years)	—	4.00	3.52
Volatility (percentage)	—	100	60

### Recently issued accounting standards

#### G. Exit and disposals

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (FAS 146). This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred and can be measured at fair value. The provisions of this Statement are effective prospectively for exit or disposal activities initiated after 31 December 2002. The Company does not expect this statement to have a material impact on the financial statements.

#### H. IFRS

From 2005 Amarin will be required to report according to IFRS. An internal project is underway to identify differences to current GAAP and what changes will be necessary. The Company is in process of evaluating the impact.

#### I. Variable interest entities

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51," which was further revised in December 2003. FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 also requires disclosure of significant variable interests in variable interest entities for which a company is not the primary beneficiary. In December 2003, the FASB issued Interpretation 46R, (FIN 46R), a revision to FIN 46, Consolidation of Variable Interest Entities. FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective at the end of the first reporting period ending after 1 Jan 2004 for variable interests in variable entities created after 31 January 2003, and effective 1 January 2004 for variable interest in variable entities created before 1 February 2003. Management is currently evaluating the effect that the adoption of FIN 46R for entities created prior to 1 February 2003 will have on its results of operations and financial condition.

#### J. Earnings per share

	Year Ended 31 December 2003 \$'000	Year Ended 31 December 2002 \$'000	Year Ended 31 December 2001 \$'000
US GAAP net (loss) available to common stockholders	(28,436)	(31,014)	(5,444)
	<u>Number</u> '000	<u>Number</u> '000	<u>Number</u> '000
Basic weighted-average shares	17,093	9,297	7,125
Plus: Incremental share from assumed conversions			
Options	4	565	765
Warrants	343	34	15
Convertible preferred stock	—	2,000	4,130
Adjusted weighted-average shares	17,440	11,896	12,035

During 2002 the nominal value of ordinary shares was converted from 10p to £1 each resulting in the number of shares reducing by a factor of 10, accordingly comparatives have been restated.

	Year Ended 31 December 2003 \$	Year Ended 31 December 2002 \$	Year Ended 31 December 2001 \$
Basic (loss) per share	(1.66)	(3.34)	(0.76)
Diluted earnings per share	*	*	*

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\* The dilutive effect of the Company's options, warrants and convertible preferred stock have been excluded as the impact would have been antidilutive for the periods indicated above. Please refer to Notes (28) and (29) for more information with regard to these securities. 7,598,133 shares were issued in 2001 upon the exercise of certain options. 34,000 were issued in 2002 upon the exercise of certain options. 7,900 shares were issued in 2003 upon the exercise of certain options.

*K. Treatment of intangible fixed assets*

Under UK GAAP pharmaceutical products which are in the clinical trials phase of development can be capitalized and amortized where there is a sufficient likelihood of future economic benefit. Under US GAAP specific guidance relating to pharmaceutical products in the development phase requires such amounts to be expensed unless they have attained certain regulatory milestones.

Under UK GAAP the Company has capitalised \$4,149,000 at December 31, 2003 (December 31, 2002: \$4,725,000, 31 December, 2001: \$5,557,000) relating to LAX-101 and Zelapar both of which would have been expensed under US GAAP. In addition, the adjustment in 2002 includes a reversal of the impairment recognized under UK GAAP with respect to Moraxen which had been expensed when incurred under US GAAP.

*L. Adjustment for revenue recognition*

Under UK GAAP milestone payments have been recognized when achieved. Under US GAAP, the Company's adoption of SAB 101 (which has now been updated by SAB 104) resulted in a \$617,000 cumulative adjustment in respect of its accounting for certain up-front payments and refundable milestone payments. This deferral and release increased sales by \$nil, \$113,000, \$97,000, for the years ended 31 December, 2003, 2002 and 2001, respectively.

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*M. Gain on renegotiation of related party liability*

Under UK GAAP the Group has recognised a gain on the renegotiation of a liability due to a related party. Under US GAAP the extinguishment a related party liability is considered a contribution to capital.

*N. Imputed interest on non-interest bearing debt*

In connection with the Group's acquisition of the product portfolio from Elan, the Group obtained a non-interest bearing loan for a period of one year in the amount of \$6,500,000 to fund the acquisition of such portfolio. Under UK GAAP the face value of the note is included in the fair value of the portfolio acquired. Under US GAAP the note payable and the product portfolio are recorded at the present value of amounts to be paid determined using an appropriate interest rate. The note payable is then accreted up to its face value over the term of the loan with a corresponding charge to interest expense.

Under US GAAP, the following amounts have been charged to interest expense for the year ended 31 December 2002; \$467,000, (31 December 2001: \$431,000). During 2003, following renegotiation, all liabilities due to Elan became payable by 31 March 2004. As the maturity of these liabilities was three months from the balance sheet date, the Group considered there to be no difference between the carrying value and the fair value. These liabilities were settled in February 2004.

*O. Accrual for PPA returns*

Under UK GAAP the Group did not accrue for certain estimated costs expected to be incurred during the year ended 31 December 2000. Under US GAAP the Group was required to accrue for the estimated costs of returns. During the year ended 31 December 2001 the accrual made under US GAAP has been utilised so no GAAP difference remains.

*P. Reversal of transdermal accrual*

Under UK GAAP the Group accrued for the estimated costs of terminating its transdermal contracts. Under US GAAP a portion of this amount relates to revenues reflected as deferred revenue under SAB 101. This accrual has now been utilised or released under UK GAAP during 2002, eliminating the reconciling difference.

*Q. Preference dividends*

Under UK GAAP cumulative preferred dividends are accrued whether paid or not. Under US GAAP, preferred dividends are not accounted for until declared. The Company's issued preference shares have now been converted into ordinary shares.

*R. Revenue recognition*

Under UK GAAP revenue is recognised on dispatch of goods. Under US GAAP revenue is recognised on delivery to the customer, when title is deemed to pass. Normally, there is an insignificant timing difference between dispatch and delivery to the customer and hence no adjustment is recorded. However, during the last week of December 2002, such a delay occurred and accordingly an adjustment of \$348,000 was made in 2002 to reflect the profit element of sales (\$736,000) recognised under UK GAAP but deferred under US GAAP. The associated adjustment to cost of sales would be \$388,000. During 2003, there were no such cut-off differences.

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*S. Adjustment to Permax purchase consideration*

Under UK GAAP purchase consideration paid by means of a note payable is measured at its principal amount. Under US GAAP purchase consideration is measured by reference to the fair value of the liability assumed. At the date the Group exercised its Permax option the fair value of our obligation to Elan was \$3,073,000 lower than the face amount of the liability as determined by discounting future cash flows at US dollar LIBOR plus 4% being 5.66%.

As of December 31, 2002, the basis difference was eliminated as a result of the impairment recognized with respect to Permax and discussed elsewhere in these financial statements. However, as a result of the initial basis difference, the impairment under US GAAP was \$3,073,000 lower than that recognized under UK GAAP, partly offset by an additional \$927,000 in interest recognised using the effective interest method.

During 2003, following renegotiation, all liabilities due to Elan became payable by 31 March 2004. As the maturity of these liabilities was three months from the balance sheet date, the Group considered there to be no remaining difference between the carrying value and the fair value. These liabilities were settled in February 2004.

*T. 2001 Proforma Combined Historical Results for Permax Product Line*

The unaudited proforma combined historical results, as if the Company had acquired its rights to Permax with effect from January 1, 2001 for the year ended December 31, 2001, are estimated to be:

	<b>PROFORMA</b> For the year ended December 31, 2001 \$'000
Turnover	75,385
Net Loss	(7,251)

The proforma results include amortization of purchase consideration from January 1, 2001 to December 31, 2001 as well as interest expense on the interest bearing portion of the related party loan from Elan and royalty payments on Permax sales from January 1, 2001. Proforma results have not been presented for the years ended December 31, 2003 and 2002 as Permax has been included for the entire period. The proforma results are for illustrative purposes only and are not necessarily indicative of what actually would have occurred if the agreement had been effective from January 1, 2001, nor are they necessarily indicative of future consolidated results.

*U. Fair value of warrants*

The Group issued 313,234 warrants (see note 29) on 27 January 2003. Under US GAAP, in 2003, the value of these warrants using the Black-Scholes pricing model is \$158,000. This would be charged against the share premium account and offset by a matching entry to the profit and loss reserve. The net impact on the US GAAP shareholders' equity is therefore \$nil. Under UK GAAP no such charge is currently required.

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
1.1	Memorandum of Association of the Company(10)
1.2	Articles of Association of the Company(10)
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder (1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
2.4	Form of Ordinary Share certificate(10)
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
2.6	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.(10)
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein(10) (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)
2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein(10) (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company(10)
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company(10)
4.3	License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)

- 4.5 Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company(10)
  - 4.6 Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
  - 4.7 Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
  - 4.8 Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company(10)†
  - 4.9 Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company(10)
  - 4.10 Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
  - 4.11 Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
  - 4.12 Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. And the Company (7)
  - 4.13 Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
  - 4.14 Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited(10)
  - 4.15 Deed of Variation No. 2, dated December 23, 2002, between The Company and Elan Pharma International Limited(10)
  - 4.16 Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited(10)
  - 4.17 The Company 2002 Stock Option Plan (9)
  - 4.18 Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.(10)
  - 4.19 Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
  - 4.20 Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company(10)
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- 4.21 Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.(10) (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
  - 4.22 Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann — La Roche Ltd., Hoffmann — La Roche Inc And the Company(10)†
  - 4.23 Share Subscription and Purchase Agreement dated October 28, 2003 among the Company, Amarin Pharmaceuticals Company Limited, Watson Pharmaceuticals, Inc. and Lagrummet December NR 911 AB (under name change to WP Holdings AB)\*
  - 4.24 Asset Purchase Agreement dated February 11, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International\*†
  - 4.25 Amendment No. 1 to Asset Purchase Agreement dated February 25, 2004 between the Company, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International\*
  - 4.26 Development Agreement dated February 25, 2004 between the Company and Valeant Pharmaceuticals International\*
  - 4.27 Settlement Agreement dated February 25, 2004 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV a d the Company\*
  - 4.28 Debenture dated August 4, 2003 made by the Company in favour of Elan Corporation plc as Trustee\*
  - 4.29 Debenture Amendment Agreement dated December 23, 2003 between the Company and Elan Corporation plc as Trustee\*
  - 4.30 Debenture Amendment Agreement No. 2 dated February 24, 2004 between the Company and Elan Corporation plc as Trustee\*
  - 4.31 Loan Instrument dated February 25, 2004 executed by Amarin in favor of Elan Pharma International Limited\*
  - 4.32 Amended and Restated Master Agreement dated August 4, 2003 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company\*(11)
  - 4.33 Amended and Restated Option Agreement dated August 4, 2003 between the Company and Elan Pharma International Limited\*(11)
  - 4.34 Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement between Elan Pharmaceuticals, Inc. and the Company\*(11)
  - 4.35 Deed of Variation No. 4, dated August 4, 2003, to Loan Agreement between the Company and Elan Pharma International Limited\*(11)
  - 4.36 Amendment Agreement No. 1, dated August 4, 2003, to Amended and Restated Asset Purchase Agreement among Elan International Services, Ltd., Elan Pharmaceuticals, Inc. and the Company\*(11)
  - 4.37 Warrant dated February 25, 2004 issued by the Company in favor of the Warrant Holders named therein\*
  - 4.38 Amendment Agreement dated December 23, 2003, between Elan Corporation plc, Elan Pharma International Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Company\*(11)
  - 4.39 Bridging Loan Agreement dated December 23, 2003 between the Company and Elan Pharmaceuticals, Inc. \*(11)
  - 4.40 Agreement dated December 23, 2003 between the Company and Elan Pharma International Limited, amending the Amended and Restated Option Agreement dated August 4, 2003\*(11)
  - 4.41 Inventory Buy Back Agreement dated March 18, 2004 between the Company and Swiftwater Group LLC\*†
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- 8.1 Subsidiaries of the Company\*
  - 11.1 Code of Ethics\*
  - 12.1 Certification of Richard A. B. Stewart required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*
  - 12.2 Certification of Ian R. Garland required by Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*
  - 13.1 Certification of Richard A. B. Stewart required by Section 1350 of Chapter 63 of Title 18 of the United States Code , as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*
  - 13.2 Certification of Ian Garland required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*
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\* Filed herewith

† Confidential treatment requested (the confidential portions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission)

- (1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.
  - (2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.
  - (3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.
  - (4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.
  - (5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.
  - (6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.
  - (7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.
  - (8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.
  - (9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.
  - (10) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on April 24, 2003.
  - (11) These agreements are no longer in effect as a result of superseding agreements entered into by the Company.
-

Dated 28 October 2003

between

LAGRUMMET DECEMBER NR 911 AB (under name change to WP HOLDINGS AB)

AND

AMARIN PHARMACEUTICALS COMPANY LIMITED

AND

AMARIN CORPORATION plc

AND

WATSON PHARMACEUTICALS, Inc

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SHARE SUBSCRIPTION AND PURCHASE AGREEMENT

relating to

**the entire share capital of Gacell Holdings AB**

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THIS AGREEMENT is made on 28 October, 2003

**BETWEEN**

- (1) AMARIN PHARMACEUTICALS COMPANY LIMITED, a company registered in England, whose registered office and principal place of business is at 7 Curzon Street, London W1 5HG (“**Seller**”);
- (2) LAGRUMMET DECEMBER NR 911 AB, under name change to WP HOLDINGS, AB a company registered in Sweden whose registered office and principal place of business is at Lundvägen 151, 212 24 Malmö, Sweden (the “**Buyer**”);
- (3) AMARIN CORPORATION plc, a company registered in England whose registered office and principal place of business is at 7 Curzon Street, London W1 5HG (the “**Guarantor**”); and
- (4) WATSON PHARMACEUTICALS, Inc., a corporation organised under the laws of Nevada whose principal place of business is at 311 Bonnie Circle, Corona, CA 92880-2882 (“**Watson**”).

**BACKGROUND**

- (A) Details of Gacell Holdings AB (the “**Company**”) and Amarin Development AB (“**ADAB**”) are set out in Parts 1 and 2 of Schedule 3 respectively.

(B) The Seller has agreed to sell the Sale Shares (as defined in this Agreement) to the Buyer and the Buyer has agreed to purchase the Sale Shares and to subscribe for the New Shares on the terms, and subject to the conditions, of this Agreement (the “**Transaction**”).

IT IS AGREED as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Agreement and the Schedules to it, save as otherwise specifically provided, the following words have the following meanings:

“**Accounts**” means the audited financial statements of the Company and ADAB, prepared in accordance with Swedish GAAP for the accounting reference period ended on the Accounts Date for each of the three consecutive accounting reference periods the last of which ended on the Accounts Date each of which financial statement comprises a balance sheet, profit and loss account, notes, auditors’ and directors’ reports, a statement of the source and application of funds or a cash flow statement, a copy of each of which has for the purpose of identification only been signed by the Seller’s

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Solicitors and delivered to the Buyer or the Buyer’s Solicitors;

“**Accounts Date**” means 31 December 2002;

“**Agreement**” means this Agreement, including the Background and the Schedules;

“**Amarin Group**” means each of the Guarantor and its Subsidiaries;

“**Balance Sheet Date**” means 30 September 2003;

“**Books and Records**” means all constitutional and other corporate documentation of the Company and ADAB and includes the Shareholders’ register, articles of association, all minutes from Shareholders’ meetings and board meetings, all notices, correspondence, orders, enquiries, drawings, plans, books of account and other documents and all computer disks or tapes or other machine legible programs or other records;

“**Business**” means the business of ADAB as of the date of Completion, including, without limitation, the research and development of pharmaceutical products and compounds for human use;

“**Business Day**” means a day (other than a Saturday or Sunday) when banks are open for business in London;

“**Business IP**” means all Intellectual Property owned by any member of the Amarin Group (other than the Company and ADAB) that relates to the Business, including all rights to receive payments and other benefits in relation to such Intellectual Property but excluding all trade marks and service marks (including any trade, brand, or business names), domain names, or rights protecting goodwill and reputation in respect of the word “Amarin”;

“**Buyer’s Solicitors**” means Latham & Watkins of 99 Bishopsgate, London, EC2M 3XF, United Kingdom;

“**Claim**” means any claim by the Buyer in connection with the Warranties or the Tax Covenant (as the case may be);

“**Companies Acts**” means the Swedish Companies Act (Sw. Aktiebolagslagen (1975:1385));

“**Completion**” means completion of the sale and purchase of the Shares pursuant to this Agreement;

“**Completion Balance Sheet**” means the balance sheet referred to in Clause 6.1.1, prepared in accordance with Schedule 5;

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“**Confidential Information**” means all information used exclusively for the benefit of the Company and/or ADAB before the date of this Agreement, and all other information relating to:

- (i) the Company and ADAB; or
- (ii) any aspect of the Business; or
- (iii) the provisions of this Agreement; or
- (iv) the negotiations for this Agreement;
- (v) the subject matter of this Agreement; or

(vi) the Buyer.

<b>“Connected Person”</b>	means in relation to another Person, a spouse, child or step-child or company in which that Person is directly or indirectly interested in, or is entitled to exercise control over, at least one-fifth of the shares of that company;
<b>“Consideration”</b>	means the consideration payable for the Sale Shares as specified in Clause 3.1 and subject to adjustment in accordance with Clause 6.2;
<b>“Directors”</b>	means the directors of the Company and ADAB named in Schedule 1;
<b>“Disclosed”</b>	means fairly disclosed by the Disclosure Documents and <b>“Disclosure”</b> shall be construed accordingly;
<b>“Disclosure Documents”</b>	means the Disclosure Letter and the two identical bundles of documents collated by or on behalf of the Warrantors, the outside covers of each of which have been signed for identification by or on behalf of the Warrantors and the Buyer;
<b>“Disclosure Letter”</b>	means the letter described as such of even date with this Agreement addressed by the Warrantors to the Buyer;
<b>“Encumbrance”</b>	means <ul style="list-style-type: none"><li>(i) any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, option, title retention;</li><li>(ii) any arrangement under which money or claims to, or the benefit of a bank or other account,</li></ul>

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may be applied, set off or made subject to a combination of accounts so as to discharge any sum owed or payable; or

(iii) any other type of preferential, trust or other arrangement the effect of which is the creation of security;

<b>“Environment”</b>	means any and all organisms (including man), ecosystems, property and the following media: air (including the air within buildings and the air within other natural or man-made structures, whether above or below ground), water (including water under or within land or in drains or sewers and coastal and inland waters) and land (including land under water);
<b>“Environmental Agreements”</b>	means any and all leases or licences or other agreements which are binding upon the Company and/or ADAB but only to the extent that they relate, either wholly or in part, to the protection of the Environment, and/or the prevention of Harm;
<b>“Environmental Laws”</b>	means any and all laws, whether civil, criminal or administrative which have as a purpose or effect the protection of the Environment, and/or the mitigation, abatement, containment or prevention of Harm and/or the provision of remedies in respect of Harm, including: applicable European Community or European Union regulations, directives, decisions and recommendations; statutes and subordinate legislation; regulations, orders, ordinances; Permits, codes of practice, circulars and guidance notes (having the effect of law); common law, local laws and bye-laws; judgments, notices, orders, directions, instructions or awards of any Governmental Authority; and Environmental Agreements;
<b>“Environmental Liability”</b>	means liability (including liability in respect of Remedial Action) on the part of the Company and/or any of its directors or officers under Environmental Laws;
<b>“Escrow Account”</b>	means the interest bearing deposit account in the joint names of the Buyer’s Solicitors and the Seller’s Solicitors with Royal Bank of Scotland Plc under number 21976000, Sort Code: 15-10-00;
<b>“Escrow Amount”</b>	means, as at the date hereof, \$1,500,000, and thereafter, the credit balance for the time being of the Escrow Account;

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<b>“Financial Disclosure Documents”</b>	means the following Disclosure Documents listed by number: 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 5.3, 5.6, 6.1, 6.2, 6.4, 6.6, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18 and 6.19;
<b>“Financial Year”</b>	means a year beginning with the day immediately following the end of the Company’s previous financial year and ending within the last day of its next accounting reference date;
<b>“First Escrow Payment Date”</b>	means the date on which due payment is made in accordance with Clause 6.2.2;

<b>“General Warranties”</b>	means the warranties set out in Part 1 of Schedule 4;
<b>“Group Company”</b>	means in relation to any body corporate, any Holding Company or subsidiary undertaking of such body corporate or any subsidiary undertaking of a Holding Company of such body corporate;
<b>“Governmental Authority”</b>	means: <ul style="list-style-type: none"> <li>(i) any person (whether autonomous or not) (including any government or government agency) having legal and/or regulatory authority;</li> <li>(ii) any court of law or tribunal in any jurisdiction; and/or</li> <li>(iii) any Taxation Authority;</li> </ul>
<b>“Hardware”</b>	means any and all computer, telecommunications and network equipment;
<b>“Harm”</b>	means harm or damage to the Environment;
<b>“Hazardous Matter”</b>	means any and all matter (whether alone or in combination with other matter) including electricity, heat, vibration, noise or other radiation which may or is liable to cause Harm;
<b>“Held-over Proportion”</b>	means the proportion (including, if that is the case, the whole) of the outstanding balance on the Escrow Account determined either: <ul style="list-style-type: none"> <li>(a) by agreement between the Buyer and the Seller in writing; or</li> <li>(b) by Counsel as reasonable in the circumstances (on the basis of the facts available to him). For this purpose, Counsel shall be Queen’s Counsel of at least 10 years’ call jointly chosen by the</li> </ul>

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Buyer and the Seller (or, in the event that they do not agree, by the Chairman from time to time of the Bar Council upon the application by either of them), and his or her fees shall be apportioned between the parties as Counsel shall decide;

<b>“Holding Company”</b>	means a company which, in relation to another Person, (i) holds a majority of the voting rights in it, or (ii) is a member of it, and has the right to appoint or remove a majority of the board of directors, or (iii) is a member of it and controls alone, pursuant to an agreement with the other shareholders or members, a majority of the voting rights in it;
<b>“Indemnities”</b>	means the indemnities given by the Warrantors in Clause 10;
<b>“Initial Consideration”</b>	means the sum of \$ 14,003,728;
<b>“Intellectual Property”</b>	means patents and pending patent applications, utility models, registered and unregistered trade marks and service marks (including any trade, brand, or business names), domain names, rights (registered or unregistered) in any designs, copyright (including all such rights in computer software and any databases), database rights, topography rights, confidential information and knowledge (including know how, inventions, trade secrets, secret formulae and processes, market information, and lists of suppliers and customers), rights protecting goodwill and reputation, applications for any of the foregoing, and all rights and forms of protection of a similar nature or having an equivalent effect to any of the foregoing anywhere in the world;
<b>“IPR Assignments”</b>	means the assignments of intellectual property rights in the agreed form;
<b>“IT Contracts”</b>	means any agreements, arrangements or licences with third parties relating to IT Systems or IT Services, including all hire purchase contracts or leases of Hardware owned or used by the Company or ADAB, licences of Software owned or used by the Company or ADAB and other IT procurement;
<b>“IT Services”</b>	means any services relating to the IT Systems or to any other aspect of the Company and ADAB’s data processing or data transfer requirements, including facilities management, bureau services, hardware maintenance, Software development or support,

	consultancy, source code deposit, recovery and network services;
<b>“IT Systems”</b>	means Hardware and/or Software owned or used by the Company and/or ADAB;
<b>“List of Disclosure Documents”</b>	means the list of documents set forth in Schedule 10;
<b>“Listed Exclusive IP”</b>	means the Intellectual Property set out in Part 2 of Schedule 9, (being Intellectual Property that

the Company and/or ADAB uses under an exclusive licence);

<b>“Listed IP”</b>	means the Intellectual Property set out in Part 1 of Schedule 9 (being registered Intellectual Property and applications to register Intellectual Property owned by the Company or ADAB or to be transferred to ADAB under the IP Assignments);
<b>“Listed IP Agreements”</b>	means the agreements set out in Part 3 of Schedule 9, being agreements which have rights and/or obligations outstanding at the date of Completion and which authorise the use of Intellectual Property and to which the Company or ADAB is a party (either as licensor or licensee);
<b>“Losses”</b>	means actions, proceedings, losses, damages, liabilities, claims, costs and expenses including fines, penalties, loss of any right to repayment of Tax, investigation costs, settlement costs, clean-up costs, legal and other professional fees (other than VAT or the equivalent of VAT that can be recovered as input tax or its equivalent);
<b>“Management Accounts”</b>	means the management accounts of the Company and ADAB for the most recent period of calendar nine months ended on 30 September, 2003;
<b>“New Shares”</b>	means the 9,310 shares in the Company each having a nominal value of SEK100 to be issued to the Buyer pursuant to Clause 2.1;
<b>“Non-Financial Disclosure Documents”</b>	means all the Disclosure Documents, except for the Financial Disclosure Documents and the Disclosure Letter;
<b>“Novation/Assignment Contracts”</b>	means the contracts set forth in Schedule 11;
<b>“Pension Schemes”</b>	means agreements or arrangements (whether legally

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enforceable or not) for the payment of any pensions, allowances, lump sums or other similar benefits on retirement for the benefit of any present or former director, officer or employee of the Company or ADAB or for the benefit of any of their dependants;

<b>“Permits”</b>	means any and all licences, consents, permits, authorisations or the like, made or issued pursuant to or under, or required by, Environmental Laws in relation to the carrying on of the Business;
<b>“Person”</b>	means any individual, company, partnership, trust or other entity of whatever nature;
<b>“Proceedings”</b>	means any proceeding, suit or action arising out of or in connection with this Agreement;
<b>“Properties”</b>	means the properties, short particulars of which are set out in Schedule 2 and the expression <b>“Property”</b> shall mean, where the context so admits, any one or more of those properties and any part or parts of them;
<b>“Relief”</b>	means any relief, allowance, credit, exemption or set-off in respect of any Tax or any deduction in computing income, profits or gains for the purposes of any Tax;
<b>“Remedial Action”</b>	means (i) preventing, limiting, removing, remedying, cleaning-up, abating or containing the presence or effect of any Hazardous Matter in the Environment (including the Environment at the Property) in each case which the Company or ADAB is required by law to undertake or (ii) carrying out investigative work and obtaining legal and other professional advice as is reasonably required in relation to (i);
<b>“Sale Shares”</b>	means the 1,000 shares in the Company each having a nominal value of SEK100 currently in existence and being the entire registered share capital of the Company prior to the issuance of the New Shares;
<b>“Second Escrow Payment Date”</b>	means the date falling six months after the date of Completion;
<b>“SEC”</b>	means the United States Securities and Exchange Commission;
<b>“Seller’s Accountants”</b>	means PriceWaterhouseCoopers of Abacus House, Castle Park, Cambridge, England;
<b>“Seller’s Solicitors”</b>	means Nicholson Graham & Jones of 110 Cannon Street, London, EC4N 6AR;

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<b>“Shares”</b>	means the Sale Shares and the New Shares;
<b>“Software”</b>	means any and all computer programs in both source and object code form, including all modules, routines and sub-routines of them and all source and other preparatory materials relating to them, including user requirements, functional specifications and programming specifications, ideas, principles, programming

languages, algorithms, flow charts, logic, logic diagrams, orthographic representations, file structures, coding sheets and coding and including any manuals or other documentation relating to them and computer generated works;

<b>“Subscription”</b>	means the subscription by the Buyer for New Shares and the subscription by the Company for 9,310 shares of ADAB pursuant to Clause 2.1;
<b>“Subsidiary”</b>	means when used with respect to any Person, each other Person in which such Person directly or indirectly (i) holds a majority of the voting rights of such other Person or (ii) has the right to appoint or remove a majority of the directors of such other Person, or (iii) controls alone, pursuant to an agreement with other shareholders or members, a majority of voting rights in it;
<b>“Swedish GAAP”</b>	means principles which are in accordance with applicable laws and generally accepted accounting principles in Sweden, applied by the Company on a consistent basis as at the Balance Sheet Date;
<b>“Taxation” or “Tax”</b>	means all forms of taxation and statutory, governmental, supra-governmental, state, principal, local governmental or municipal impositions, duties, contributions and levies, in each case whether of Sweden, the United Kingdom, the United States or elsewhere and whenever imposed, and all penalties, charges, costs and interest relating to them and without limitation value added taxes, all employment taxes and social security contributions and any deductions or withholdings of any sort in the nature of taxation;
<b>“Taxation Authority”</b>	means the Skattemyndigheten and any other governmental or other authority whatsoever competent to impose any Taxation, whether in Sweden, the United Kingdom, the United States or elsewhere;
<b>“Taxation Statute”</b>	means any directive, statute, enactment, law or regulation, wherever enacted or issued, coming into force or entered into providing for or imposing any

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Taxation, including orders, regulations, instruments, bye-laws or other subordinate legislation made under the relevant statute or statutory provision and any directive, statute, enactment, law, order, regulation or provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same, provided that any such amendment, extension, consolidation or replacement on or after the date of this Agreement shall not increase the liability of the Warrantors under this Agreement;

<b>“Tax Covenant”</b>	means the covenant relating to Tax in Clause 11 of this Agreement;
<b>“Tax Event”</b>	means the existence of any state of affairs and any payment, transaction, action or omission, any change in the residence of any person for the purposes of any Tax, the death of any person, and a failure to take any action which would avoid an apportionment or deemed distribution of income (regardless of whether the taking of any such action after Completion could have avoided such apportionment or deemed distribution) and shall also include the execution of the Agreement and Completion;
<b>“Tax Warranties”</b>	means the warranties set out in Part 2 of Schedule 4;
<b>“Third Escrow Payment Date”</b>	means the first anniversary of the date of Completion;
<b>“Third Party Rights Act”</b>	means the Contracts (Rights of Third Parties) Act 1999;
<b>“VAT”</b>	means value added tax;
<b>“Warranties”</b>	means the warranties set out in Clause 8 and Schedule 4;
<b>“Warrantors”</b>	means the Seller and the Guarantor;
<b>“Watson Group”</b>	means Watson and any Subsidiary of Watson;
<b>“Working Capital Amount”</b>	means in relation to the Company and ADAB, their consolidated current assets less their consolidated liabilities as set out in the Completion Balance Sheet;
<b>“Working Hours”</b>	means 9 a.m. to 5 p.m.;

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## 1.2 Interpretation

In this Agreement and the Schedules to it (except where the context otherwise requires):

1.2.1 any reference to the Background, or a Clause, Sub-clause or Schedule is to the relevant background item, clause, sub-clause or schedule of or to this Agreement. Any reference to a paragraph is to the relevant paragraph of the Schedule in which it appears;



- 1.2.2 the table of contents and Clause headings are included for convenience only and shall not affect the interpretation of this Agreement;
- 1.2.3 use of the singular includes the plural and vice versa;
- 1.2.4 use of any gender includes the other genders;
- 1.2.5 any reference to “persons” includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);
- 1.2.6 any reference to a statute, statutory provision or subordinate legislation (“**legislation**”) shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation;
- 1.2.7 any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to what most nearly approximates in that jurisdiction to the English legal term;
- 1.2.8 any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- 1.2.9 any reference to “writing” or “written” includes faxes and any non-transitory form of visible reproduction of words (but not email);
- 1.2.10 any agreement, covenant, representation, warranty, undertaking or liability arising under this Agreement on the part of two or more persons shall be deemed to be made or given by such persons jointly and severally;
- 1.2.11 references to the Warrantors shall include each of them jointly and severally;
- 1.2.12 references to times of the day are to London time and references to a day are to a period of 24 hours running from midnight on the previous day; and
- 1.2.13 in Schedule 4, references to the Company shall be deemed to include a corresponding reference to ADAB and to each of them severally and references to the Accounts are to those of the Company or ADAB, as the case may be.

### **1.3 Schedules**

The Schedules and Background form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules and Background.

## **2. SALE AND PURCHASE**

### **2.1 Subscription for New Shares and Capitalisation of ADAB**

Immediately prior to the sale of the Sale Shares pursuant to Clause 2.2:

- 2.1.1 the Buyer shall subscribe for the New Shares at par value and the New Shares shall be issued and allotted to the Buyer free of Encumbrances;
- 2.1.2 the Buyer’s name shall be entered into the Company’s register of members in respect of the New Shares;
- 2.1.3 share certificates representing the New Shares shall be delivered to the Buyer;
- 2.1.4 the Company shall subscribe for 9,310 shares of ADAB at par value and such shares shall be issued and allotted to the Company free of Encumbrances;
- 2.1.5 the Company’s name shall be entered into ADAB’s register of members in respect of the new ADAB shares; and
- 2.1.6 share certificates representing the new ADAB shares shall be delivered to the Buyer, to be held to the order of the Company pending Completion.

### **2.2 Obligation to sell and purchase of the Sale Shares**

Subject to the terms of this Agreement and contingent upon the Subscription having occurred (and immediately upon it having occurred), the Seller shall sell to the Buyer the Sale Shares (being the entire issued share capital of the Company prior to the Subscription) together with all rights attaching to them at the date of this Agreement and all additional rights (if any) attaching to them at Completion and the Buyer shall purchase and pay for the Sale Shares accordingly.

### **2.3 Obligation to sell and purchase the Business IP**

Subject to the terms of this Agreement, the Seller shall procure the sale to the Company of the Business IP free from encumbrances and the Company shall purchase the Business IP accordingly.

## 2.4 Dividends and distributions

The Buyer shall be entitled to exercise all rights attached or accruing to the Shares including the right to receive all dividends and distributions declared, paid or made by the Company on or after the date of this Agreement.

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## 2.5 Sale and purchase of all Shares

The Buyer shall not be obliged to complete the purchase of any of the Shares unless the purchase of all the Sale Shares is completed simultaneously.

## 2.6 Implied Covenants for title

The Seller covenants, in relation to the Sale Shares to be transferred by it pursuant to this Agreement, that;

2.6.1 he has the right to transfer the legal and beneficial title to them; and

2.6.2 they are free from all Encumbrances.

## 3. CONSIDERATION

### 3.1 Consideration subject to adjustment

Subject to adjustment as provided in Clause 6.2, the consideration for the Sale Shares shall be an amount equal to the Initial Consideration.

### 3.2 Reduction in consideration

Any payment made by the Warrantors in respect of a breach of any Warranties or payment made under the Indemnities, or any other payment made to the Buyer pursuant to this Agreement, shall be deemed to reduce the price paid for the Shares under this Agreement by a matching amount.

## 4. GUARANTEES

### 4.1 Seller's Guarantee

In consideration of the Buyer entering into this Agreement, the Guarantor, at the request of the Seller, hereby unconditionally guarantees to the Buyer the due and punctual performance and observance by the Seller of all the Seller's payment obligations contained in this Agreement and shall procure the punctual performance of all the Seller's other obligations hereunder and the punctual discharge by the Seller of all the Seller's liabilities (payments or otherwise) to the Buyer contained in this Agreement (the "**Guaranteed Obligations**").

If the Seller shall make default in the payment when due of any amount payable to the Buyer under this Agreement, the Guarantor shall forthwith on demand by the Buyer unconditionally pay to the Buyer in the manner prescribed in this Agreement an amount equal to the amount payable by the Seller.

As an independent and primary obligation, without prejudice to Clause 4.1 the Guarantor hereby unconditionally and irrevocably agrees to indemnify and keep indemnified the Buyer against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Buyer arising from failure of the Seller to comply with any of Guaranteed Obligations or by reason of the Seller not being at any time, or ceasing to be, liable in respect of Guaranteed Obligations other than in accordance with the terms of this Agreement.

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The guarantee and indemnity contained in this Clause 4.1 shall be a continuing guarantee and indemnity and shall continue in full force and effect until all liabilities in respect of the Guaranteed Obligations, have been paid, discharged or satisfied in full and notwithstanding any insolvency of the Seller or any change in the status of the Seller.

The Guarantor shall not be exonerated or discharged nor shall its liability be affected by any forbearance, whether as to payment, time, performance or otherwise howsoever, or by any other indulgence being given to the Seller or by any variation of the terms of this Agreement or by any act, thing, omission or means whatever which, but for this provision, might operate to exonerate or discharge the Guarantor from its obligations under the guarantee and indemnity contained in this Clause 4.1.

### 4.2 Buyer's Guarantee

In consideration of the Seller entering into this Agreement, Watson, at the request of the Buyer, hereby unconditionally guarantees to the Seller the due and punctual performance and observance by the Buyer of all the Buyer's payment obligations contained in this Agreement and shall procure the punctual performance of all the Buyer's other obligations hereunder and the punctual discharge by the Buyer of all the Buyer's liabilities (payments or otherwise) to the Seller contained in this Agreement (the "**Buyer Guaranteed Obligations**").

If the Buyer shall make default in the payment when due of any amount payable to the Seller under this Agreement, Watson shall forthwith on demand by the Seller unconditionally pay to the Seller in the manner prescribed in this Agreement an amount equal to the amount payable by the Buyer.

As an independent and primary obligation, without prejudice to Clause 4.2, Watson hereby unconditionally and irrevocably agrees to indemnify and keep indemnified the Seller against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Seller

arising from failure of the Buyer to comply with any of Buyer Guaranteed Obligations or by reason of the Buyer not being at any time, or ceasing to be, liable in respect of Buyer Guaranteed Obligations other than in accordance with the terms of this Agreement.

The guarantee and indemnity contained in this Clause 4.2 shall be a continuing guarantee and indemnity and shall continue in full force and effect until all liabilities in respect of the Buyer Guaranteed Obligations, have been paid, discharged or satisfied in full and notwithstanding any insolvency of the Buyer or any change in the status of the Buyer.

Watson shall not be exonerated or discharged nor shall its liability be affected by any forbearance, whether as to payment, time, performance or otherwise howsoever, or by any other indulgence being given to the Buyer or by any variation of the terms of this Agreement or by any act, thing, omission or means whatever which, but for this provision, might operate to exonerate or discharge Watson from its obligations under the guarantee and indemnity contained in this Clause 4.2.

## **5. COMPLETION**

### **5.1 Seller's obligations**

At Completion (which shall take place immediately following the Subscription) the Seller shall:

- 5.1.1 deliver to the Buyer each of the documents listed in Part 1 of Schedule 6;
- 5.1.2 procure that all necessary steps are taken properly to effect the matters listed in Part 2 of Schedule 6 at board meetings of the Company and ADAB and shall deliver to the Buyer duly signed minutes of all such board meetings; and
- 5.1.3 deliver to the Buyer the IPR Assignments executed by the Seller Group Companies.

### **5.2 Buyer's obligations**

Subject to the Seller complying with its obligations under Clause 5.1, the Buyer shall at Completion:

- 5.2.1 pay the Initial Consideration less the Escrow Amount (being the sum of \$12,503,728) by way of electronic transfer for same day value to the Seller's Solicitors who are irrevocably authorised to receive the same and whose receipt shall be an effective discharge of the Buyer's obligation to pay such sum;
- 5.2.2 pay the Escrow Amount (being the sum of \$1,500,000) by way of electronic transfer for the same day value to the Escrow Account; and
- 5.2.3 procure the immediate payment by, or on behalf of, ADAB of the sum of \$996,272 to the Guarantor (or as it may direct) in full discharge of (and the Guarantor shall procure that its Group Companies shall waive) all sums outstanding on intercompany loan account and all other liabilities, actual or contingent, accrued or unaccrued between ADAB, the Company and the Amarin Group as at Completion.

### **5.3 Company records**

Forthwith following Completion the Guarantor and Seller shall, and shall procure that any other Group Company of the Guarantor shall, without delay send to the Company at its registered office for the time being, all records, correspondence, documents, files, memoranda and other papers relating to the Company, ADAB or the Business not kept at any of the Properties.

## **6. COMPLETION BALANCE SHEET**

### **6.1 Preparation of Completion Balance Sheet**

- 6.1.1 Forthwith after Completion, the Buyer shall prepare a draft Completion Balance Sheet. Each of the Buyer and the Seller shall give the other (or procure that the other has) access, through its employees, agents and advisers

(provided that it shall be entitled, at its option, to have a representative present), to all relevant files and/or working papers (with the right to take copies) in their possession or control to the extent that they are required in connection with the preparation of the Completion Balance Sheet;

- 6.1.2 The Completion Balance Sheet shall consist of a consolidated balance sheet for the Company and ADAB as at the close of business on the date of Completion and the Completion Balance Sheet shall be prepared in accordance with the principles set out in Schedule 5;
- 6.1.3 The Buyer shall use its reasonable endeavours to procure that the draft Completion Balance Sheet is submitted to the Seller for review within 60 calendar days after Completion;
- 6.1.4 The parties shall pay their own respective costs in connection with the preparation of the Completion Balance Sheet;
- 6.1.5 The draft Completion Balance Sheet shall be deemed to have been accepted as the Completion Balance Sheet unless, within 20 Business Days of their being received by the Seller, the Seller delivers to the Buyer notice to the contrary specifying with reasonable detail:
  - (a) the item or items disputed;

- (b) their reasons; and
- (c) how the draft Completion Balance Sheet and the Provisional Consideration should be adjusted. If the Buyer and the Seller resolve the matters raised in the notice in the 15 Business Days following receipt of the notice, the draft Completion Balance Sheet (adjusted, if necessary, as agreed by the Buyer and the Seller) will be deemed to have been accepted by the parties as the Completion Balance Sheet;

6.1.6 If the Seller and the Buyer are unable to reach agreement within 15 Business Days of the notice referred to in Clause 6.1.5, the matter(s) in dispute may, at the written election of the Seller or the Buyer, be referred to the decision of an independent chartered accountant (the **“Independent Accountant”**) to be appointed (in default of nomination by agreement between the Seller and the Buyer) by the President for the time being of the Institute of Chartered Accountants in England and Wales on the written application of the Seller or of the Buyer (whichever applies first);

6.1.7 The Independent Accountant shall act as an expert and not as an arbitrator and neither the Arbitration Act 1996 nor any earlier or later enactments on arbitration shall apply. The Independent Accountant’s decision shall (in the absence of manifest error) be final and binding on the Seller and the Buyer for all the purposes of this Agreement. The Buyer and the Seller shall use their best efforts to ensure that the Independent Accountant’s decision as to the matter in dispute is made within 30 Business Days of appointment. The draft Completion Balance Sheet, as adjusted (if necessary) to reflect the

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Independent Accountant’s final and binding decision, will be deemed to have been accepted by the parties as the Completion Balance Sheet.

6.1.8 The costs of the Independent Accountant shall be apportioned between the parties as the Independent Accountant shall decide but each party shall be responsible for its own costs of presenting its case to the Independent Accountant.

## 6.2 Adjustment of Consideration

The Consideration shall be adjusted downwards after Completion in accordance with the following provisions of this Clause 6.2:

6.2.1

- (a) If the Working Capital Amount is less than 2,443,000 SEK, the Seller shall pay to the Buyer the amount of the deficiency (translated into US Dollars at the mid-day SEK to US\$ spot exchange rate on the date of Completion);
- (b) If the amounts owing by ADAB to Svenska Handelsbanken pursuant to its overdraft is greater than SEK 2,600,000 as at the Completion Date, the Seller shall pay to the Buyer the amount by which it exceeds SEK 2,600,000 (translated into US Dollars at the mid-day SEK to US\$ spot exchange rate on the date of Completion). The certificate of Svenska Handelsbanken as to the amount of the overdraft at the Completion Date shall (in the absence of manifest error) be conclusive and binding on the parties.

6.2.2 Any amounts to be paid under Clause 6.2.1 shall be paid:

- (a) in the case of 6.2.1(a), within 14 calendar days after the date on which the Completion Balance Sheet have been agreed or settled (whether under Clauses 6.1.5 or 6.1.6 or by virtue of a decision of the Independent Accountant or otherwise) and in the case of Clause 6.2.1(b), within 14 days after the date on which the level of the overdraft is conclusively determined; and
- (b) in accordance with Clause 21.

6.2.3 Where an amount is to be paid by the Seller to the Buyer, to the extent that the amount:

- (a) is less than or equal to the Escrow Amount, Clause 6.2.2 shall not apply and the parties shall procure that the amount is released to the Buyer out of the Escrow Amount (together with a pro rata share of the interest accrued on the Escrow Amount) within 14 calendar days after the date on which the Completion Balance Sheet have been agreed or settled; and
- (b) exceeds the Escrow Amount, the provisions of Clause 6.2.2 above shall apply.

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## 7. ESCROW ACCOUNT

### 7.1 First Escrow Payment Date

\$750,000 of the Escrow Amount shall be paid to the Seller (by payment to the Seller’s Solicitors) on the First Escrow Payment Date less:

7.1.1 any amount paid out in accordance with Clause 6.2.3(a) or Clause 7.4; and/or

7.1.2 any amount which is to be retained in the Escrow Account in accordance with Clause 7.5.

### 7.2 Second Escrow Payment Date

A further \$350,000 of the Escrow Amount shall be paid to the Seller (by payment to the Seller's Solicitors) on the Second Escrow Payment Date less:

7.2.1 any amount paid in accordance with Clause 6.2.3(a) or Clause 7.4 in the period between the First Escrow Payment Date and the Second Escrow Payment Date and/or;

7.2.2 any amount which is to be retained in the Escrow Account in accordance with Clause 7.5, but excluding any amount deducted pursuant to Clause 7.1.2.

### **7.3 Third Escrow Payment Date**

The remainder of the Escrow Amount shall be paid to the Seller (by payment to the Seller's Solicitors) on the Third Escrow Payment Date less:

7.3.1 any amount paid in accordance with Clause 6.2.3(a) or Clause 7.4 in the period between the Second Escrow Payment Date and the Third Escrow Payment Date and/or;

7.3.2 any amount which is to be retained in the Escrow Account in accordance with Clause 7.5, but excluding any amount deducted pursuant to Clauses 7.1.2. or 7.2.2.

### **7.4 Payments out of Escrow**

The Buyer may, from time to time before the Third Escrow Payment Date, by notice to the Seller require immediate payment out of the Escrow Amount in/or towards satisfaction of any Claim and/or any other amount claimed by it under this Agreement and shall be entitled to be paid in accordance with such a notice to the extent that:

7.4.1 the Seller has agreed the amount by giving written consent; or

7.4.2 the Buyer has obtained judgment of a court of competent jurisdiction in respect of the amount claimed, and the judgment is not at the time of the notice capable of appeal by the Seller.

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### **7.5 Outstanding Claims**

7.5.1 If the Buyer has notified the Seller in writing of a Claim which has not been finally determined, settled or withdrawn on or before either the First Escrow Payment Date, the Second Escrow Payment Date or the Third Escrow Payment Date, the Buyer shall be entitled to require the Held-over Proportion (as defined below) of the Escrow Amount to remain in the Escrow Account until the Claim or dispute is finally determined, settled or withdrawn;

7.5.2 On such Claim or dispute being determined, settled or withdrawn, any amount payable out of the Held-over Proportion to:

(a) the Seller will be paid to the Seller's Solicitors; and

(b) the Buyer will be paid as the Buyer instructs.

### **7.6 Interest**

Where any payment is made to the Buyer out of the Escrow Account as provided in this Clause, the Buyer shall at the same time be entitled to a corresponding proportion of the interest accrued on the Escrow Account. Otherwise, all interest accrued on the Escrow Account shall be payable to the Seller (by payment to the Seller's Solicitors) at the time of payment to them out of the Escrow Amount in accordance with this Clause.

### **7.7 Written Instructions**

The Seller and the Buyer undertake to give prompt written instructions with regard to the Escrow Amount where necessary or desirable in order to give proper effect to the provisions of this Agreement. Any such instructions given by the Buyer shall also be given to the Seller and any such instructions given by the Seller shall also be given to the Buyer.

### **7.8 Tax Liability**

Any tax liability of the Buyer arising on interest paid on any part of the Escrow Amount released to it under Clauses 6.2.3(a) and 7.4 shall be for the account of the Buyer.

### **7.9 Payments other than out of Escrow**

For the avoidance of doubt the Buyer shall be able to demand a cash sum from the Warrantors otherwise than from the Escrow Account in respect of any finally determined Claim under the Warranties and/or claim or claims under the Indemnities to the extent that monies under the Escrow Account have been exhausted by prior claims or repaid to the Seller in accordance with Clauses 7.1, 7.2 and 7.3.

## **8. WARRANTIES**

### **8.1 Extent of Warranties**

In consideration of the Buyer agreeing to purchase the Shares on the terms contained in this Agreement, the Warrantors hereby warrant to the Buyer, the Company and ADAB in the terms set out in Schedule 4.

## 8.2 Obligation to make enquiries

Where any of the Warranties is made or given "so far as the Warrantors are aware", such Warranty shall be deemed to be given to the best of the knowledge, information and belief of each of the Warrantors after making reasonable enquiries (subject to any qualification to a Warranty expressly limiting such enquiries to within the Amarin Group and other than enquiries to a Taxation Authority) and the knowledge, information and belief of any one of the Warrantors shall be imputed to the remaining Warrantors.

## 8.3 Investigation by Buyer

None of the Warranties or the Indemnities shall be deemed in any way modified or discharged by reason of any investigation or enquiry made or to be made by or on behalf of the Buyer, and no information relating to the Company, ADAB of which the Buyer has knowledge (actual or constructive) other than by reason of its being Disclosed shall prejudice any claim which the Buyer, the Company or ADAB shall be entitled to bring or shall operate to reduce any amount recoverable by the Buyer, the Company or ADAB under this Agreement. The Buyer warrants to the Warrantors that it is not, as at the date of this Agreement, contemplating any Claim in respect of any fact, matter or circumstance of which it has actual knowledge at the date of this Agreement.

## 8.4 Information supplied by the Company

Any information supplied by or on behalf of the Company or ADAB (or by any officer, employee or agent of any of the Company or ADAB) to the Warrantors or their advisers in connection with the Warranties, the Indemnities or the information Disclosed in the Disclosure Documents shall not constitute a warranty, representation or guarantee as to the accuracy of such information in favour of the Warrantors and the Warrantors hereby undertake to waive any and all claims which they might otherwise have against the Company or ADAB or against any officer, employee or agent of any of them in respect of such claims but so that this shall not preclude any Warrantor from claiming against any other Warrantor under any right of contribution or indemnity to which it may be entitled.

## 8.5 Separate and independent warranties

Each of the Warranties set out in the separate paragraphs of Schedule 4 shall be construed as a separate and independent Warranty. Save as expressly otherwise provided no Warranty shall be limited or restricted by reference to or inference from the terms of any other such Warranty or by anything in this Agreement or the Disclosure Documents.

## 8.6 Reliance

The Seller accepts that the Buyer has entered into this Agreement, and has entered into it, upon the basis of and in reliance upon the Warranties and the Indemnities.

## 9. LIMITATION OF WARRANTORS' LIABILITY

### 9.1 Limitations on liability

The liability of the Warrantors:

9.1.1 in respect of any claim under the Warranties save for the Tax Warranties, shall be limited as provided in Parts 1 and 2 of Schedule 9; and

9.1.2 in respect of any claim under the Tax Warranties shall be limited as provided in Part 1 (as expressed to apply) and Part 2 of Schedule 9.

The limitations on the liability of the Warrantors under this Clause and Schedule 9 shall not apply in relation to the Warranties set out in subparagraphs 1.2 and 2.4.1 and 2.4.3 of Schedule 4.

### 9.2 Exclusions

Notwithstanding any other provision of this Agreement, the provisions of this Clause and Schedule 9 shall not apply to any claim:

9.2.1 made against the Warrantors in the case of any fraud, dishonesty, wilful misstatement or fraudulent, dishonest or wilful omission by or on behalf of any of the Warrantors provided that each Warrantor shall be solely responsible for its own fraudulent or dishonest acts or omissions or wilful misstatements or omissions; or

9.2.2 made under the Indemnities.

## 10. INDEMNITIES AND REIMBURSEMENTS

### 10.1 DuPont Discount Indemnity

The Warrantors undertake to indemnify and keep the Buyer, the Company and ADAB indemnified from and against all and any Losses which they may suffer as result of the Company's failure prior to Completion to pass on discounts to its customers in respect of Multipor supplied to it by DuPontSverige AB provided neither Watson nor any Group Company of Watson nor the Company nor ADAB shall, as from the date of Completion, take any action in respect of such customers for the purpose of making any such customers aware that there is or may be a liability owing to any of

them in respect of such discounts or the failure of the Company, ADAB or any company in the Amarin Group to pass on the same, unless upon an unsolicited request from such customers.

## **10.2 Liability of the Company**

The Warrantors undertake to indemnify and keep the Buyer, ADAB and the Company indemnified from and against:

10.2.1 any and all Losses, liabilities or other obligations of the Company whether accrued, unaccrued, actual or contingent incurred as a result of an event occurring prior to Completion; and

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10.2.2 all Losses which it may suffer as a result of a breach of the Warranties to the extent that such Losses would not have been incurred if the Buyer had directly purchased the shares of ADAB and not the Shares of the Company.

## **10.3 Liability in respect of Ken Downie**

The Warrantors undertake to indemnify and keep the Buyer, the Company and ADAB indemnified from and against all and any Losses which they may suffer as result of engaging the services of Ken Downie pursuant to Clause 14 hereof other than Losses incurred as a result of actions performed or omissions by Ken Downie in good faith and at the direction, or with the consent, of the Company, ADAB or the Watson Group which are not recoverable under the insurance of the Guarantor or its Group Companies.

## **10.4 Reimbursement of payments to Leslie Pryce**

The Buyer agrees to reimburse the Guarantor in respect of all payments falling due after the date of Completion that are duly paid by the Guarantor or any Guarantor Group Company to Leslie Pryce pursuant to clause 3(b)(i) and (ii) of the agreement between Ethical Holdings Limited and Leslie John Pryce, dated 4 December 1992, in respect of the Tanabe Group of Companies' development and commercialisation of once daily morphine formulation for sale in Japan, provided that the Guarantor shall not agree to any amendment to such agreement without the Buyer's consent.

## **10.5 Amarin Group Lease Guarantees**

The Buyer undertakes to indemnify and keep the Guarantor (for itself and on behalf of each of the Amarin Group) indemnified from and against all Losses arising from the Company's failure to pay any amount after Completion and arising from conduct undertaken after Completion that is guaranteed by the Guarantor pursuant to (a) the lease in respect of the Properties (being the documents numbered 7.1 in the Disclosure Documents) and (b) the obligations under the overdraft which ADAB has with Svenska Handelsbanken and the Buyer and the Guarantor undertake to use their reasonable endeavours to procure the release of the Guarantor from such guarantee obligations as soon as practicable (and in any event within 30 Business Days of Completion).

## **10.6 Application of Clause 10**

For the avoidance of doubt, the provisions of Clause 9 and Schedule 9 shall not apply to this Clause.

## **11. TAX COVENANT**

### **11.1 Covenant**

Subject to Schedule 9 of this Agreement, the Warrantors hereby jointly and severally covenant with the Buyer to pay to the Buyer (so far as possible by way of repayment of the consideration payable under the Agreement for the Sale Shares) an amount equal to:

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11.1.1 any Tax payable by the Company or ADAB arising as a consequence of or by reference to a Tax Event which occurred on or before Completion or was deemed to occur on or before Completion for the purposes of any Tax; or

11.1.2 any Tax payable by the Company or ADAB in respect of or by reference to any income, profits or gains which were earned, accrued or received or deemed for the purposes of any tax to be earned, accrued or received on or before Completion;

11.1.3 the setting off of any Relief which arises as a consequence of or by reference to a Tax Event occurring (or deemed to occur) after Completion or in respect of a period commencing after Completion and not as a consequence of or by reference to any Tax Event occurring (or deemed to occur) on or before Completion or in respect of a period ended on or before Completion in circumstances where, but for such setting off, the Company or ADAB would have had an actual liability for Tax in respect of which the Buyer would have been able to make a claim against the Warrantors under this Agreement; or

11.1.4 any Tax arising from the loss of any Relief where such Relief has been taken into account in computing and so reducing or eliminating any provision for deferred Tax which appears in the Completion Balance Sheet (or which but for such Relief would have appeared in the Completion Balance Sheet) or where such Relief was treated as an asset of the Company or ADAB in the Completion Balance Sheet or was taken into account in the computing any deferred Tax asset which appears in the Completion; or

11.1.5 "Tax" for the purposes of clause 11 shall include any Tax arising from any Tax Event or the earning of an income, profit or gains which results in the Company and/or ADAB becoming liable to pay or bear a liability for Tax chargeable directly or primarily against or attributable directly or primarily to another person (not being the Company or ADAB).

## 12. PROTECTION OF GOODWILL

### 12.1 Covenants

As further consideration for the Buyer agreeing to purchase the Shares on the terms contained in this Agreement and with the intent of assuring to the Buyer the full benefit and value of the goodwill and connections of the Company and ADAB and as a constituent part of the sale of the Shares, the Warrantors hereby undertake (binding themselves and each of their Group Companies) to the Buyer, the Company and ADAB that (except as directors or employees of the Company or ADAB or with the written consent of the Buyer) neither they nor their Group Companies shall, whether on their own behalf or with or on behalf of any person, and whether directly or indirectly by any person or business controlled by them or any Connected Person:

12.1.1 until 18 months after Completion, carry on, incorporate or be engaged, concerned, interested or in any way assist within the United States or Sweden in any business which competes with all or part of the Business, other than to an immaterial extent (whether the same is immaterial shall be determined in the reasonable opinion of the Buyer and notified to the Warrantors), provided

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that nothing in this Sub-clause shall prevent the Warrantors or any of their subsidiaries from holding for investment purposes only any units of an authorised unit trust and/or not more than 3% of any class of the issued share or loan capital of any company traded on a recognised investment exchange;

12.1.2 until 18 months after Completion, canvass, solicit or approach or cause to be canvassed, solicited or approached (with a view to conducting business which may in any way breach Clause 12.1.1 above) the custom of any person who at any time during the 12 months preceding Completion shall have been a client or customer of the Company or ADAB;

12.1.3 until 18 months after Completion offer employment to or offer to conclude any contract of services with employees of the Company or ADAB holding executive or managerial posts or procure or facilitate the making of such an offer by any person, firm or company or entice or endeavour to entice any such employees to terminate their employment with the Company or ADAB (provided always that this Clause shall only apply in relation to persons who were so employed at Completion and who were still so employed immediately before the relevant breach of this Sub-clause) save where such person applies for a position with any Seller Group Company where such position was the subject of a bona fide public advertisement prior to such application;

12.1.4 at any time after Completion use as or as part of any corporate trading, business or domain name, meta-tag or other form of identifier the name "Watson" or "Gacell" or any other name (except for "Amarin") or initials intended or likely to be confused or associated with the Company or ADAB.

Each undertaking contained in this Clause shall be read and construed independently of the other undertakings in this Clause as an entirely separate and severable undertaking.

### 12.2 Severability of covenants

12.2.1 Whilst the undertakings in this Clause are considered by the parties to be reasonable in all the circumstances, if any one or more should for any reason be held to be invalid but would have been held to be valid if part of the wording thereof was deleted, or its period reduced or the range of activities or areas covered by it reduced in scope, the said undertakings shall apply with the minimum modifications necessary to make them valid and effective. Further, if any one or more of the undertakings is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining undertakings shall continue to bind the Seller.

12.2.2 The Buyer undertakes to the Guarantor that it will not at any time after the date which is 3 months after Completion use as or as part of any corporate trading, business or domain name, meta-tag or other form of identifier the name "Amarin" or any other name or initials intended or likely to be confused or associated with the Guarantor and the Guarantor hereby grants to ADAB a non-exclusive royalty free licence to use the trade name "Amarin" solely for the purpose of interim trading during the period in which the Buyer rebrands

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the Business. This licence will terminate on the date which is 3 months from Completion.

## 13. TRANSITIONAL SERVICES AND NOVATION/ASSIGNMENT CONTRACTS

### 13.1 Transitional Services

The Guarantor agrees that for the first six months following Completion it will provide reasonable assistance to the Buyer and Watson in order to assist the Buyer and Watson in respect of the managerial and other issues that may arise in connection with the change of ownership of the Company provided that the Buyer will reimburse all disbursements which any company in the Amarin Group may incur in connection with the same and further provided that Amarin Group personnel shall not be required to spend more than an aggregate of 10 hours a week in the provision of such assistance nor be required to travel outside the United Kingdom to provide such assistance.

### 13.2 Assignment or Novation of Contracts after Completion

13.2.1 The Buyer shall use its reasonable endeavours to take over the benefit of the Novation/Assignment Contracts and undertakes to the Seller with effect from Completion to assume the obligations and become entitled to the benefits of the Seller under the Novation/Assignment Contracts and undertakes to carry out and perform and complete all the obligations and liabilities created by or arising under the Novation/Assignment Contracts (except for any obligations or liabilities attributable to a breach on the part of the Seller (and/or each



relevant company in the Amarin Group) or its employees, agents or sub-contractors) and shall indemnify the Seller (and/or each company in the Amarin Group) and keep it fully indemnified against all liabilities, losses, actions, proceedings, costs, claims, demands and expenses brought or made against or incurred by the Seller (and/or each company in the Amarin Group) in respect of the non-performance or defective or negligent performance by the Buyer or the relevant company in the Watson Group of the Novation/Assignment Contracts after the date of Completion.

- 13.2.2 The Seller undertakes with effect from Completion to assign to the order of the Buyer or to procure the assignment to the order of the Buyer all the Novation/Assignment Contracts which are capable of assignment without the consent of other parties.
- 13.2.3 In so far as any of the Novation/Assignment Contracts are not assignable to the Buyer without the agreement of or novation by or consent to the assignment from another party, this Agreement shall not constitute an assignment or attempted assignment if such assignment or attempted assignment would constitute a breach of such Novation/Assignment Contracts. In the event that consent or novation is required to such assignment:
- 13.2.4 the Seller at the Buyer's request shall use all reasonable endeavours with the co-operation of the Buyer to procure such novation or assignment as aforesaid;

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- 13.2.5 unless and until any such Novation/Assignment Contract shall be novated or assigned as aforesaid the Seller shall continue its corporate existence and shall hold such Novation/Assignment Contract in trust for the Buyer and its successors in title absolutely and the Buyer shall (if such sub-contracting is permissible and lawful under the Novation/Assignment Contract in question) as the Seller's sub-contractor perform all the obligations of the Seller under such Novation/Assignment Contract provided that the Buyer shall indemnify the Seller and each company in the Amarin Group and keep each of them full indemnified against all liabilities, losses, actions, proceedings, costs, claims, demands and expenses brought or made against or incurred by any of them in connection with its performance of such obligations arising after the date of Completion (save where the relevant company in the Amarin Group has failed to comply with its obligations under this Clause 13.2.5);
- 13.2.6 unless and until any such Novation/Assignment Contract shall be novated or assigned the Seller will (so far as it lawfully may) give all such assistance to the Buyer as the Buyer may reasonably require to enable the Buyer to enforce its rights under such Novation/Assignment Contract and (without limitation) will provide access to all relevant books, documents and other information in relation to such Novation/Assignment Contract as the Buyer may require from time to time.
- 13.2.7 If such consent or novation is refused or otherwise not obtained on terms reasonably satisfactory to the Buyer within 60 Business Days of the date of Completion, the Buyer shall be, save where the arrangements contemplated by Clauses 13.2.5 are able to continue and the relevant counterparty to the Novation/Assignment Contract has not prevented the same from continuing, entitled at its sole discretion to require the Seller to serve proper notice to terminate that Novation/Assignment Contract and the Seller shall indemnify and keep indemnified the Buyer from and against all losses, damages, costs, actions, proceedings, claims, demands, liabilities and expenses (including, without limitation, legal and other professional fees and expenses but other than VAT or its equivalent which is recoverable as input tax or its equivalent) which the Buyer may reasonably suffer, sustain, incur, pay or be put to by reason or on account of or arising from the termination of such Novation/Assignment Contract.
- 13.2.8 To the extent that any payment is made to the Seller in respect of the Novation/Assignment Contracts on or after Completion the Seller shall receive the same as trustee, shall record such payment separately in its books and shall account to the Buyer for the same on Completion or if received thereafter within seven Business Days of receipt.
- 13.2.9 In this Clause 13, the terms "novation" and "assignment" shall include any other effective assumption of the burden and/or the benefit of a Novation/Assignment Contract.

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## **14. SERVICES OF KEN DOWNIE**

### **14.1 Provision of Services**

The Guarantor and Watson each covenants that it shall use its reasonable efforts to procure that for the six month period immediately following Completion, Ken Downie shall continue to work full time (if required by the Company) under the Company's direction in relation to the Business (provided that, in the case of Watson, such reasonable efforts shall not require its incurrence of any financial expenditure).

### **14.2 Employee of the Guarantor**

For the avoidance of doubt, Ken Downie's status shall be that of an employee of the Guarantor and not of the Buyer during the six month period and neither the Company nor ADAB shall be liable his salary or any of his employee benefits. The Guarantor agrees not to terminate Ken Downie's employment during such period, except as a result of a material breach of his terms of employment justifying summary dismissal (and subject to the Guarantor acting in good faith and consulting the Buyer prior to such termination).

## **15. COOPERATION OF SELLER'S ACCOUNTANTS**

### **15.1 Scope of Cooperation**

The Seller shall cooperate with the Buyer, and shall use reasonable endeavours to cause the Seller's Accountants to provide reasonable assistance to the Buyer in preparation of any registration statement, offering memorandum or prospectus for debt or equity securities of the Buyer or Group

Company of the Buyer under the United States Securities Act of 1933, as amended (the "1933 Act"), including without limitation, in respect of preparation, audit and review of financial statements for the Company and ADAB for the last three Financial Years or portion thereof for inclusion in (i) any of the foregoing documents, (ii) the Buyer's Current Report on Form 8-K in respect of the Transaction and (iii) the Buyer's Annual Report on Form 10-K for the Buyer's current and succeeding Financial Years. In connection therewith, the Seller shall use reasonable endeavours procure that the Seller's Accountants shall (i) provide such comfort letters as may reasonably be requested in connection therewith (ii) provide the Buyer's independent public accountants with access to the Seller's Accountants' work papers relating to any such financial statements, (iii) provide consents to inclusion of the Seller's Accountants' opinion and report in respect of any such financial statements included in any SEC filings, (iv) assist in preparation of responses to comments received from the Staff of the SEC in respect of any such financial statements included in any SEC filings, (v) prepare "statutory audits" required to be filed in respect of the Company and ADAB, and (vi) respond to inquiries from the Buyer's management in connection with such managers' certification of any such financial statements pursuant to the Sarbanes-Oxley Act of 2002.

## **15.2 Indemnification**

The Buyer shall indemnify the Seller and each Seller Group Company in respect of its reasonable costs and expenses in complying with its obligations under this Clause 15 (including without limitation any fees and expenses of the Seller's Accountant charged to any Seller Group Company in connection therewith).

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## **16. FURTHER ASSURANCE**

Each party shall, from time to time at its own cost on being required to do so by the other, now or at any time in the future, do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form reasonably satisfactory to that party as that party may reasonably consider necessary for giving full effect to this Agreement and securing to that party the full benefit of the rights, powers and remedies conferred upon it in this Agreement.

## **17. SUCCESSORS AND ASSIGNS**

### **17.1 Assignment with Consent**

Except as provided in Clause 17.2, none of the parties shall, without the prior written consent of the others assign, transfer, charge or deal in any other manner with this Agreement or any rights under it in whole or in part.

### **17.2 Assignment to Buyer Group**

The Buyer may assign its rights under this Agreement in whole or in part to (i) any Buyer Group Company provided that the Buyer shall procure that any such assignee shall assign back such rights to the Buyer immediately prior to its ceasing to be a member of a Buyer Group Company; and (ii) any third party subject to the consent of the Seller (such consent not to be unreasonably withheld or delayed). Any such assignment shall be made on terms that the assignee acknowledges that the Seller and the Guarantor may continue to deal exclusively with the Buyer in respect of all matters relating to this Agreement unless and until the assignee notifies the Guarantor in writing that it is exercising its rights as assignee provided that any such assignment shall not increase the liability of the Seller or the Guarantor under this Agreement.

### **17.3 Successors**

This Agreement and all the provisions hereof shall be binding upon and enure for the benefit of the parties hereto and, to the extent capable by law, their respective successors in title (whether by merger, acquisition, operation of law or otherwise).

## **18. ENTIRE AGREEMENT**

### **18.1 Entire agreement**

This Agreement, and the documents referred to in it, constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between the parties relating to the subject matter of this Agreement.

### **18.2 Remedies**

The rights under this Agreement of the Buyer are independent, cumulative and without prejudice to all other rights available to it whether as a matter of common law, statute, custom or otherwise.

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### **18.3 Non-exclusion of fraud**

Nothing in this Agreement or in any other document referred to in this Agreement shall be read or construed as excluding any liability or remedy as a result of fraud.

## **19. WAIVER, VARIATION AND RELEASE**

### **19.1 No waiver by omission, delay or partial exercise**

No omission to exercise or delay in exercising on the part of any party to this Agreement any right, power or remedy provided by law or under this Agreement shall constitute a waiver of such right, power or remedy or any other right, power or remedy or impair such right, power or remedy. No

single or partial exercise of any such right, power or remedy shall preclude or impair any other or further exercise of it or the exercise of any other right, power or remedy provided by law or under this Agreement.

## **19.2 Specific waivers to be in writing**

Any waiver of any right, power or remedy under this Agreement must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver shall be effective only in the instance and only for the purpose for which it is given.

## **19.3 Variations to be in writing**

Amendments to this Agreement or to any of the documents referred to in it are only valid if in writing and signed by or on behalf of each of the parties.

## **19.4 Non-release of all Warrantors**

Any liability of the Warrantors to any person under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by that person in its absolute discretion as regards any of the Warrantors under such liability without in any way prejudicing or affecting its rights against any other or others of the Warrantors under the same or like liability, whether joint or several or otherwise, or any other person's rights against any of them in any respect.

## **20. COSTS AND EXPENSES**

### **20.1 Payment of costs**

Save as otherwise stated in this Agreement, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement.

### **20.2 Company to pay no costs**

For the avoidance of doubt, neither the Company nor ADAB shall pay any legal or other professional charges and expenses in connection with any investigation of the affairs of the Company or ADAB or the negotiation, preparation, execution and carrying into effect of this Agreement.

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## **21. PAYMENTS**

Save as envisaged in Clause 7.6, all payments to be made under this Agreement shall be made in full without any set-off or counterclaim and free from any deduction or withholding save as may be required by law. If such amounts are required to be deducted or withheld:

- 21.1.1 such deduction or withholding shall not exceed the minimum amount which it is required by law to deduct or withhold; and
- 21.1.2 the payer will simultaneously pay to the payee (provided that such payee is resident or domiciled for Tax purposes in the United States or Sweden) such additional amounts as will result in the receipt by the payee of a net amount equal to the full amount which would otherwise have been receivable had no such deduction or withholding been required.

## **22. ANNOUNCEMENTS**

### **22.1 Restrictions on announcements**

No press conference, announcement or other communication concerning any of the transactions referred to in this Agreement, shall be made or dispatched by the any of the Parties or their agents, employees or advisers to any third party without the prior written approval of the others save as may be required by:

- 22.1.1 any law;
- 22.1.2 any existing contractual arrangements;
- 22.1.3 NASDAQ;
- 22.1.4 the SEC;
- 22.1.5 the New York Stock Exchange; or
- 22.1.6 any applicable regulatory authority to which the Seller is subject where such requirement has the force of law,

provided that such communication shall be made only after consultation with the Buyer.

### **22.2 Time limit**

The restrictions contained in this Clause 22 shall continue to apply after Completion without limit in time.

### **22.3 Legal and regulatory requirements**

The Buyer and each of the Warrantors undertake to provide all such information known to it or which on reasonable enquiry ought to be known to it or as may reasonably be required by any of them in relation to the Company or ADAB or any of them for the purpose of complying with the requirements of:

- 22.3.1 law;
- 22.3.2 the Stock Exchange;
- 22.3.3 the United States Securities and Exchange Commission; or
- 22.3.4 any applicable regulatory authority to which any of the parties is subject where such requirement has the force of law.

## 23. NOTICES

### 23.1 In writing

Notice under this Agreement shall only be effective if it is in writing. Faxes are permitted.

### 23.2 Addresses

A notice under this Agreement shall be sent to a party at its address or number and for the attention of the individual set out below:

<u>Party and title of individual</u>	<u>Address</u>	<u>Fax No.</u>
Watson and the Buyer	311 Bonnie Circle, Corona, CA 92880-2882 USA	+1 909 279 8094
The Guarantor and the Seller	7 Curzon Street, London W1J 5HG England	+44 207 499 9004

A party may change its notice details on giving notice to the other party of the change in accordance with this Clause.

### 23.3 Receipt

23.3.1 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (a) if delivered personally, on delivery;
- (b) if sent by fax when despatched provided that the sender obtains a printed confirmation of transmission of all pages to the correct facsimile number.

23.3.2 Any notice given under this Agreement outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.

23.3.3 Notice given under this Agreement shall not be validly served if sent by email.

## 24. COUNTERPARTS

### 24.1 Execution in counterparts

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

### 24.2 One agreement

Each counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same Agreement.

## 25. LANGUAGE

### 25.1 Translations

If this Agreement is translated into another language, the English language text shall prevail.

### 25.2 Notices

Any notice given under or in connection with this Agreement shall be:

25.2.1 in English; or

25.2.2 accompanied by an English translation made by a translator and certified as accurate by an officer of the party giving the notice.

## **26. CONFIDENTIALITY**

### **26.1 No disclosure**

The Seller hereby undertakes with the Buyer, the Company and ADAB that it shall, both during and after the term of this Agreement, preserve the confidentiality of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own or any other purposes Confidential Information except:

26.1.1 in the circumstances set out in Clause 26.2 below;

26.1.2 to the extent otherwise expressly permitted by this Agreement; or

26.1.3 with the prior consent in writing of the party to whose affairs such Confidential Information relates.

### **26.2 Permitted disclosures**

The circumstances referred to in Clause 26.1.1 above are:

26.2.1 where the Confidential Information, after it is furnished to the Seller, enters the public domain otherwise than as a result of:

(a) a breach by the Seller of its obligations in this Clause 26; or

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(b) a breach by the person who disclosed that Confidential Information of a confidentiality obligation and the Seller is aware of such breach;

26.2.2 if and to the extent the Seller makes disclosure of the Confidential Information to any person:

(a) in compliance with any requirement of law;

(b) in response to a requirement of NASDAQ or the New York Stock Exchange;

(c) in response to any applicable regulatory authority to which the Seller, the Guarantor, the Buyer or Watson is subject, where such requirement has the force of law; or

(d) in order to obtain tax or other clearances or consents from a relevant Taxation Authority or Authorities; or

26.2.3 where the Confidential Information is disclosed to (a) the employees and their trade unions or works councils of the Company in compliance with any requirement of law; and (b) the directors, agents, consultants and professional advisers of the Seller as required only for the purposes of the transaction envisaged by this Agreement,

provided that any such information disclosable pursuant to Clause 26.2.3 shall be disclosed only after consultation with the Buyer.

### **26.3 United States Treasury Regulations**

Notwithstanding any other provision of this Agreement or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties acknowledge and agree that any obligations of confidentiality contained in Clause 26 or in such other written or oral agreements shall not apply to the tax treatment and tax structure of the Transaction upon the earlier to occur of (i) the date of the public announcement of discussions relating to the Transaction, (ii) the date of the public announcement of the Transaction, or (iii) the date of the execution of this Agreement (all within the meaning of United States Treasury Regulations Section 1.6011-4), provided that the parties recognise that the privilege each has to maintain, in its sole discretion, the confidentiality of a communication relating to the Transaction, including a confidential communication with its solicitors or a confidential communication with a United States federally authorised tax practitioner under Section 7525 of the United States Internal Revenue Code, is not intended to be affected by the foregoing.

### **26.4 No time limit**

The restrictions contained in this Clause shall continue to apply for a period of three years after Completion.

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## **27. THIRD PARTY RIGHTS**

### **27.1 No right to enforce**

Nothing in this Agreement is intended to confer on any person any right to enforce any term of this Agreement which that person would not have had but for the Third Party Rights Act except that:

27.1.1 Clauses 8, 10, 11 and 26 confer on the Company its rights which are directly enforceable by it subject to and in accordance with the terms of this Agreement; and

27.1.2 (without prejudice to all other relevant terms) the benefits conferred by Clauses 19 and 21 are also directly enforceable by the Company insofar as the rights referred to in Clause 27.1.1 are concerned.

## **27.2 No consent**

No right of any party to agree any amendment, variation, waiver or settlement under or arising from or in respect of this Agreement, or to terminate this Agreement, shall be subject to the consent of any person who has rights under this Agreement by virtue of the Third Party Rights Act.

## **28. AGREEMENT TO CONTINUE IN FULL FORCE AND EFFECT**

This Agreement (including the Warranties and Indemnities) shall, to the extent that it remains to be performed, continue in full force and effect notwithstanding Completion.

## **29. INVALIDITY**

### **29.1 Unenforceability, etc.**

If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.

### **29.2 Modification**

If any provision of this Agreement is found to be illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of the provision were amended or deleted, the provision in question shall apply with such modification(s) as may be necessary.

### **29.3 Substitution**

The parties agree, in the circumstances referred to in Clause 29.1 and if Clause 29.2 does not apply, to attempt to substitute for any illegal, invalid or unenforceable provision a legal, valid or enforceable provision which achieves to the greatest extent possible the same effect. The obligations of the parties under any illegal, invalid or unenforceable provision of this Agreement shall be suspended while an attempt at such substitution is made.

## **30. GOVERNING LAW AND JURISDICTION**

### **30.1 English law**

This Agreement is governed by and to be construed in accordance with English law.

### **30.2 Courts of England and Wales**

The parties to this Agreement irrevocably agree that, for the exclusive benefit of the Buyer, the courts of England shall have non-exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any Proceedings may be brought in such courts.

### **30.3 Seller's Process Agent**

30.3.1 The Seller:

30.3.2 irrevocably appoints Nicholson Graham & Jones of 110 Cannon Street, London as its agent to receive on its behalf in England service of any proceedings arising out of or in connection with this Agreement;

30.3.3 agrees that service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Seller);

30.3.4 if for any reason such agent ceases to be able to act as agent or no longer has an address in England, shall forthwith appoint a substitute acceptable to the Buyer and deliver to the Buyer the new agent's name, address; and

30.3.5 irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this Agreement being served on it in accordance with the provisions of this Agreement relating to service of notices. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

### **30.4 Buyer's Process Agent**

30.4.1 The Buyer:

30.4.2 irrevocably appoints Latham & Watkins, London office as its agent to receive on its behalf in England service of any proceedings arising out of or in connection with this Agreement;

30.4.3 agrees that service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Buyer);

- 30.4.4 if for any reason such agent ceases to be able to act as agent or no longer has an address in England, shall forthwith appoint a substitute acceptable to the Seller and deliver to the Seller the new agent's name, address; and
- 30.4.5 irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this Agreement being served on it in accordance with the provisions of this Agreement relating to service of notices. Nothing

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contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

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**SCHEDULE 1**

**DIRECTORS OF THE COMPANY**

<b>NAME OF DIRECTOR</b>	<b>DIRECTORSHIPS HELD</b>
<b>RICHARD STEWART</b>	<b>ADAB, The Seller Guarantor, The Seller, Ethical Pharmaceuticals (UK) Limited, Amarin Pharmaceuticals Inc.</b>
<b>STEFAN OHLSSON</b>	<b>ADAB</b>
<b>STAFFAN WAXEGÅRD (DEPUTY)</b>	<b>ADAB</b>

**DIRECTORS OF ADAB**

<b>NAME OF DIRECTOR</b>	<b>DIRECTORSHIPS HELD</b>
<b>RICHARD STEWART</b>	<b>The Company, The Seller Guarantor, The Seller, Ethical Pharmaceuticals (UK) Limited, Amarin Pharmaceuticals Inc.</b>
<b>STEFAN OHLSSON</b>	<b>The Company</b>
<b>IAN GARLAND</b>	<b>None</b>
<b>KEN DOWNIE</b>	<b>None</b>
<b>PETER FYHR</b>	<b>None</b>
<b>STAFFAN WAXEGÅRD</b>	<b>The Company</b>
<b>MARIANA ADLERCREUTZ (UNION)</b>	<b>None</b>
<b>LARS SVENSSON (UNION)</b>	<b>None</b>

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**SCHEDULE 2**

**PROPERTY**

**Part 1**

**Properties**

Neither the Company nor ADAB owns freehold property.

**Part 2****Leases**

(1) Property	(2) Date of Lease	(3) Term	(4) Parties	(5) Current yearly rent (£)
Office building and middle floor in laboratory building, used for research and pharmaceutical departments	29/Apr/1992	30/Jun/2009	ADAB and CANMO AB	165 500 GBP (2 120 000 SEK)
Top floor in laboratory building, analytical department	25/Aug/1995	30/Jun/2009	ADAB and. Canmo AB	106 400 GBP (1 363 000 SEK)
Bottom floor in laboratory building including pharmaceutical department and GMP areas and Changing rooms and storage area in the Service house	19/Dec/1996	30/Jun/2009	ADAB and vs.Fortos Nord AB	135 900 GBP (1 741 000 SEK)

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**SCHEDULE 3****COMPANY DETAILS****Part 1****The Company**

1.	Registered number	556117-5935	
2.	Date of incorporation	11 June 1968	
3.	Place of incorporation	Stockholm	
4.	Address of registered office	Lundavägen151, 214 24 Malmö	
5.	Class of company	N/A	
6.	Registered share capital	1,310,000 SEK	
7.	Loans	As per Disclosure Documents	
8.	Directors:		
	Full name	Usual residential address	Nationality
	Stefan Vincent Ohlsson	Vallmovägen 22, SE-240 10 Dalby	Swedish
	Richard Alistair Balfour Stewart	28 St. George's Road Twickenham Middlesex TW1 1QR	British
	Sven Staffan Fredrik Waxegård	Bågegatan 26, SE-212 28 Malmö	Swedish
9.	Accounting reference date	31 <sup>st</sup> December	
10.	Auditors	PricewaterhouseCoopers, Malmö	
11.	Tax residence	Malmö	
12.	Business activities	Intermediate holding company	

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## ADAB

1.	Registered number	556234-6592	
2.	Date of incorporation	31 October 1983	
3.	Place of incorporation	Malmö	
4.	Address of registered office	Lundavägen 151, 212 24 Malmö	
5.	Class of company	N/A	
6.	Registered share capital	1,310,000 SEK	
7.	Loans	As per Disclosure Documents	
8.	Directors:		
	Full name	Usual residential address	Nationality
	Eva Elisabeth Mariana Adlercreutz	Opalvägen 15, SE-246 34 Löddeköpinge	Swedish
	Kenneth Ian Downie	21 Murieston Park, EH54 9DT Murieston South, Livingstone, West Lothnian	British
	Jan Peter Fyhr	Löjtnantsvägen 9, SE- 237 32 Bjärred	Swedish
	Ian Richard Garland	Woodruff, Crooksbury Lane, Seale, Farnham, GU10 1ND, Surrey	British
	Stefan Vincent Ohlsson	Vallmovägen 22, SE-240 10 Dalby	Swedish
	Richard Alistair Balfour Stewart	28 St. George's Road Twickenham Middlesex TW1 1QR	British
	Lars Anders Kristian Svensson	Carl Herslowsgatan 44A, SE-211 47 Malmö	Swedish
	Sven Staffan Fredrik Waxegård	Bågegatan 26, SE-212 28 Malmö	Swedish

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9.	Accounting reference date	31 <sup>st</sup> December
10.	Auditors	PricewaterhouseCoopers, Malmö
11.	Tax residence	Malmö
12.	Business activities	Research&Development, drug delivery

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## SCHEDULE 4

### THE WARRANTIES

**For the avoidance of doubt (and as set forth in Clause 1.2.13), references to the Company shall be deemed to include a corresponding reference to ADAB and to each of them severally and references to the Accounts are to those of the Company or ADAB, as the case may be.**

#### Part 1

#### General Warranties

## **1. PRELIMINARY**

### **1.1 Information**

- 1.1.1 The facts set out in the Background and Schedules 1 and 3 and all information contained in the Non-Financial Disclosure Documents are true, complete and accurate in all respects and not misleading. Insofar as any such information amounts to a forecast or an expression of opinion, intention or expectation, such information is fair and honest and made on reasonable grounds;
- 1.1.2 So far as the Warrantors are aware, there is no fact or matter which has not been Disclosed which renders any such information untrue, incomplete, inaccurate or misleading or the Disclosure of which might reasonably affect the willingness of a willing buyer to purchase the Shares on the terms of this Agreement; and
- 1.1.3 So far as the Warrantors are aware, the information Disclosed to the Buyer or its representatives or professional advisers by the Warrantors and the Directors, officers or other officials of the Company regarding the current financial and trading position and prospects of the Company comprises all information which is material for the reasonable assessment of the financial and trading prospects of the Company.

### **1.2 Power to contract**

- 1.2.1 Each Warrantor has full power to enter into and perform this Agreement and this Agreement constitutes, binding obligations on each Warrantor in accordance with their terms.
- 1.2.2 The execution by the Seller and the Guarantor of this Agreement and any other document or instrument referred to in this Agreement, and the performance by the Seller and the Guarantor of its obligations under the Agreement and the consummation of the transactions provided for in this Agreement, do not and will not result in a breach of any provision of the articles of association of the Seller, the Guarantor or any of its Group Companies or of any applicable law, order, judgement or decree of any court or governmental agency or of any agreement to which the Seller, the Guarantor or any of its Group Company is a party or by which the Seller, the Guarantor or any of its Group Companies is bound.

## **2. THE COMPANY**

### **2.1 Corporate Existence**

The Company is duly incorporated and validly existing under the laws of Sweden.

### **2.2 Constitutional Documents**

- 2.2.1 The copies of the certificate of registration, articles of association and share registers of the Company which are comprised in the Disclosure Documents:

- (a) are true and complete in all respects;
- (b) fully set out the rights and restrictions attaching to the share capital of the Company.

- 2.2.2 The Company has at all times carried on its business and affairs in all respects in accordance with its articles of association and all such resolutions and agreements and there are no registrations of charges pending with the relevant authorities in the respective jurisdictions of the Seller's Group Companies.

### **2.3 Statutory returns and books**

- 2.3.1 The Company has complied with the provisions of the Companies Acts;
- 2.3.2 All returns, particulars, resolutions and other documents required to be filed with or delivered to the relevant authority by the Company have been correctly and properly prepared and so filed or delivered; and
- 2.3.3 The statutory books (including all registers and minute books) of the Company have been properly maintained and contain an accurate and complete record of the matters which should be dealt with in those books and no notice or allegation that any of them is incorrect or should be rectified has been received.

### **2.4 Share capital**

- 2.4.1 With regard to the Shares:
- (a) the Shares constitute the whole of the registered share capital of the Company;
  - (b) the shares referred to in Part 2 of Schedule 3 constitute the whole of the registered share capital of ADAB;
  - (c) the Seller is the sole legal and beneficial owner of all the Sale Shares and the Company is the sole legal and beneficial owner of all the shares of ADAB; and
  - (d) there is no Encumbrance or any form of agreement (including conversion rights and rights of pre-emption) on, over or affecting the Sale Shares or any unissued shares, debentures or other securities of the Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing and no

person has the right (exercisable now or in the future and whether contingent or not) to call for the issue of any share or loan capital of the Company under any of the foregoing;

- (e) all share certificates representing the Sale Shares are in the possession of the Seller and they are the only share certificates ever issued in relation to such Sale Shares;
- (f) the Company has not been rendered any conditional contribution by any person;

2.4.2 The Company has not at any time repaid, redeemed or purchased (or agreed to repay, redeem or purchase) any of its own shares, or otherwise reduced (or agreed to reduce) its registered share capital or capitalised (or agreed to capitalise) in the form of shares, debentures or other securities or in paying up any amounts unpaid on any shares, debentures or other securities, any profits or reserves of any class or description or passed (or agreed to pass) any resolution to do so;

2.4.3 The Company:

- (a) is not, and has not agreed to become, the holder or other owner of any class of any shares, debentures or other securities of any other body corporate (whether incorporated in Sweden or elsewhere);
- (b) has not agreed to become a subsidiary of any other body corporate or to be under the control of any group of bodies corporate or consortium;
- (c) is not, and has not agreed to become, a member of any partnership, joint venture, consortium or other unincorporated association other than a recognised trade association or agreement or arrangement for sharing commissions or other income;
- (d) has no branch, place of business or substantial assets outside Sweden or any permanent establishment in any country outside Sweden; and
- (e) save as otherwise Disclosed under this sub-paragraph (e), does not have any interest, legal or beneficial, in any shares or other capital or securities or otherwise howsoever in any other firm, company, association, venture or legal person or entity;

2.4.4 The Company does not act or carry on business in partnership with any other person or is a member (otherwise than through the holding of share capital) of any corporate or unincorporated body, undertaking or association or holds or is liable on any share or security which is not fully paid up or which carries any liability;

## 2.5 Solvency

The Company has not filed (or has had filed against it) any petition for its winding-up, or is insolvent within the meaning of applicable laws, rules or regulations or similar requirements, and have not made any assignment in favour of their creditors, nor has any petition for receivership or any administration order been presented in respect of the Company. The Company has not initiated any proceedings with respect to a

compromise or arrangement with its creditors or for the dissolution, liquidation or reorganisation of the Company or the winding-up or cessation of the business of the Company. No receiver or administrative receiver or liquidator has been appointed in respect of the Company or any of its material assets.

## 3. ACCOUNTS

### 3.1 General

Complete copies of the Accounts have been Disclosed and:

- 3.1.1 were prepared in accordance with the requirements of Swedish GAAP for companies carrying on a similar business to that of the Company, and on a basis consistent with all preceding accounting periods of the Company and with the books of account of the Company and are true and accurate in all material respects; and
- 3.1.2 disclose a true and fair view of the assets, liabilities and state of affairs of the Company at the Balance Sheet Date and of its profits for the financial year ended on such date.

### 3.2 Management Accounts

Complete copies of the Management Accounts have been Disclosed and:

- 3.2.1 have been prepared in accordance with Swedish GAAP and on a basis consistent with that upon which the management accounts of the Company for the preceding 12 months were prepared;
- 3.2.2 reflect with reasonable accuracy the financial position of the Company at the date to which they have been prepared and its results for the period covered by the Management Accounts; and
- 3.2.3 are not inaccurate or misleading in any material respect.

Adequate disclosure is made in the Management Accounts of all material liabilities actual or contingent at the date to which the Management Accounts are made up.

### 3.3 Stock-in-trade and work-in-progress

The basis of valuation for stock-in-trade and work-in-progress has remained in all material respects consistent with that adopted for the purpose of the Company's audited accounts in respect of the beginning and end of each of the accounting periods of the Company for the last three financial years.

### 3.4 Profits

The profits of the Company for the three years ended on the Accounts Date as shown by the Accounts and by the audited accounts of the Company for previous periods delivered to the Buyer and the trend of profits shown by them have not (except as fairly and accurately disclosed in them) been affected to a material extent by inconsistencies of accounting practices, by the inclusion of non-recurring items of income or expenditure, by transactions entered into otherwise than on normal

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commercial terms or by any other factors rendering such profits for all or any of such periods exceptionally high or low.

### 3.5 Books of account

Complete copies of all Financial Disclosure Documents (save for the Accounts and the Management Accounts) have been disclosed and they and all other accounts, books, ledgers, financial and other necessary records of whatsoever kind of the Company (including all invoices and other records required for Tax purposes):

- 3.5.1 have been prepared and maintained with reasonable accuracy and are in the possession of the Company and contain a reasonably accurate record of all matters to which they pertain including those required to be entered in them by applicable laws and Swedish GAAP and no notice or allegation that any of the same is incorrect or should be rectified has been received; and
- 3.5.2 do not contain or reflect any material inaccuracies or discrepancies.

## 4. POST-BALANCE SHEET DATE EVENTS

Since the Balance Sheet Date, the Company:

- 4.1.1 has carried on its business in the ordinary and usual course and without entering into any transaction, assuming any liability or making any payment not provided for in the Accounts which is not in the ordinary course of business and without any change of accounting methods, principles and practices, any interruption or alteration in the nature, scope or manner of its business and nothing has been done negligently or wrongfully by the Company which, so far as the Warrantors are aware, would be likely to diminish the value of the Shares;
- 4.1.2 has not:
  - (a) experienced any material deterioration in its financial position or turnover;
  - (b) suffered any diminution of its assets by the wrongful act of any person and the value of any its assets that were owned by the Company but not included in its management accounts at the Balance Sheet Date is not materially less than the value of such net assets at the Balance Sheet Date; nor
  - (c) had its business or profitability materially and adversely affected by the loss of any important customer or source of supply or, so far as the Warrantors are aware, by any abnormal factor not affecting similar businesses to a like extent.
- 4.1.3 has not acquired or disposed of or agreed to acquire or dispose of any material assets or assumed or incurred or agreed to assume or incur any material liabilities (actual or contingent) otherwise than in the ordinary course of business;
- 4.1.4 has not declared, made or paid any dividend, group contribution, bonus or other distribution of capital or income (whether a qualifying distribution or otherwise) and (excluding fluctuations in overdrawn current accounts with bankers) no loan or loan capital of the Company has been repaid in whole or in part or has become due or is

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liable to be declared due by reason of either service of a notice or lapse of time or otherwise;

- 4.1.5 has not made any change to the remuneration, terms of employment, emoluments or pension benefits of any present or former director, officer or employee of the Company who on the Balance Sheet Date was entitled to remuneration in excess of 400,000 SEK per annum and has not appointed or employed any additional director, officer or employee entitled as aforesaid;
- 4.1.6 has not entered into contracts involving capital expenditure in an amount exceeding 65,000 SEK in the aggregate;
- 4.1.7 has not become aware (without making any enquiries outside of the Amarin Group) that any event has occurred which would entitle any third party to terminate any contract or any benefit enjoyed by it or call in any money before the normal due date;

- 4.1.8 has not purchased stocks in quantities or at prices materially greater than was the practice of the Company before the Balance Sheet Date;
- 4.1.9 has not offered price reductions or discounts or allowances on sales of trading stocks or services or provided them at less than cost to an extent which may materially affect its profitability;
- 4.1.10 has properly accrued and recorded its creditors in its financial books and ledgers;
- 4.1.11 has not borrowed or raised any money or taken any financial facility (except such short term borrowings from bankers as are within the amount of any overdraft facility which was available to the Company at the Balance Sheet Date) or renegotiated or received any notice from any banker that such banker wishes to renegotiate any overdraft facility available to the Company at the Balance Sheet Date;
- 4.1.12 has not made any change to its accounting reference date and no accounting period of the Company has ended since the Balance Sheet Date; and
- 4.1.13 (including any class of its members) has not passed any resolution whether in general meeting or otherwise other than resolutions relating to the routine business of annual general meetings.

## **5. TRANSACTIONS WITH GUARANTOR'S GROUP, DIRECTORS AND CONNECTED PERSONS**

### **5.1 Loans and debts**

There is not outstanding:

- 5.1.1 any indebtedness or other liability (actual or contingent) owing by the Company to the Guarantor or any Group Company of the Guarantor or Director or any Connected Person or owing to the Company by the Guarantor or any Group Company of the Guarantor or Director or any Connected Person; or
- 5.1.2 any guarantee or security for any such indebtedness or liability.

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### **5.2 Arrangements with Connected Persons**

- 5.2.1 There is not outstanding, and there has not at any time during the last three years been outstanding, any agreement, arrangement or understanding (whether legally enforceable or not) to which the Company is a party and in which the Guarantor, a Group Company of the Guarantor, Director or former director of the Company or any Connected Person is or has been interested, whether directly or indirectly; and
- 5.2.2 The Company is not a party to any agreement or arrangement which is not entirely of an arm's length nature.

### **5.3 No competitive interests**

#### 5.3.1

Neither the Guarantor nor a Group Company of the Guarantor, whether individually, collectively or with any other person or persons are interested in any way whatsoever in any Intellectual Property used and not wholly owned by the Company.

### **5.4 Benefits**

No Connected Person or Group Company of the Guarantor, Director or former director of the Company is entitled, or has claimed entitlement, to any remuneration, compensation or other benefit from the Company.

## **6. FINANCE**

### **6.1 Borrowings**

Particulars of all money borrowed by the Company have been Disclosed. The total amount borrowed by the Company from any source does not exceed any limitation on its borrowing contained in the articles of association of the Company or in any debenture or loan stock trust deed or instrument or any other document executed by the Company and the amount borrowed by the Company from each of its bankers does not exceed the overdraft facility agreed with such banker. The Company has no outstanding loan capital.

### **6.2 Debts owed to the Company**

All debts owed to the Company are collectable in the ordinary course of business and, so far as the Warrantor's are aware (without making any enquiries outside the Amarin Group), each such debt will realise in full its face value within three months of its due date for payment. The Company and the Warrantors consider none of the debts owing to the Company (but which are not yet due) to be irrecoverable in whole or in part. The Company does not own the benefit of any debt (whether present or future) other than debts which have accrued to it in the ordinary course of business. The debts owing to the Company shown in the Company's 2002 Accounts (subject to any provision for bad or doubtful debts made in the Accounts) were paid in full.

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### **6.3 Bank accounts**

6.3.1 Full details of all bank accounts maintained or used by the Company (including, in each case, the name and address of the bank with whom the account is kept and the number and nature of the account) and of all direct debit or standing order or similar authorities applicable to any of the accounts and statements showing all payments and receipts on each account as at the close of business on a date not being more than seven days before the date of this Agreement have been Disclosed. Since the date of each statement no payment out of any of the accounts has been made, except for routine payments in the ordinary course of trading, and the present balances are not substantially different from those shown in the statement. There are no amounts represented by cheques, warrants, mandates or other payment instructions issued or given by the Company which at the date of this Agreement remain outstanding or unpaid or unperformed; and

6.3.2 All unpresented cheques drawn by the Company have been Disclosed and there are no such unpresented cheques drawn otherwise than in the normal course of business.

#### **6.4 Financial facilities**

The Warrantors have Disclosed full details and true and correct copies of all documents relating to all debentures, acceptance lines, overdrafts, loans or other financial facilities outstanding or available to the Company and all Encumbrances to which any asset of the Company is subject. Neither any of the Warrantors nor the Company have done anything whereby the continuance of any such facility or Encumbrance in full force and effect might be affected or prejudiced.

#### **6.5 Grants**

Full particulars of all grants, allowances, aids and subsidies paid or made to the Company in the last six years by, and of all outstanding claims by the Company for any such grant, allowance, aid or subsidy from, any supranational, national or local authority or government agency have been Disclosed. No act or transaction has been effected in consequence whereof the Company is or may be held liable to refund in whole or in part any investment grant, building grant, or loan received by virtue of any statute or in consequence whereof any such grant or loan for which application has been made by it will not or may not be paid or will or may be reduced.

#### **6.6 Options and guarantees**

6.6.1 The Company is not responsible for the indebtedness of any other person nor party to any option or pre-emption right or any guarantee, suretyship or any other obligation (whatever called) to pay, purchase or provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities or the purchase of assets or services or otherwise) for the payment of, or as an indemnity against the consequence of default in the payment of, any indebtedness of any other person; and

6.6.2 No person other than the Company has given any guarantee of or security for any overdraft, loan or loan facility granted to the Company.

#### **6.7 Payment of obligations**

There has been no delay by the Company in the payment of any material obligation due for payment.

### **7. THE PROPERTIES**

7.1.1 The Properties comprise all the land and premises owned, controlled, used or occupied by the Company and in relation to which the Company has any right interest or liability at the date of this Agreement and the particulars set out in Schedule 2 are true and accurate and not misleading;

7.1.2 The Company is the sole legal and beneficial owner of, and otherwise absolutely entitled to, each of the Properties and the proceeds of sale from them;

7.1.3 The Company has in its possession or unconditionally held to its order all the title deeds and documents necessary to prove its title to each of the Properties;

7.1.4 The Properties and all fixtures and fittings and plant, equipment and other chattels on the Properties, are not subject to any Encumbrance;

7.1.5 So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), there are no rights, interests, covenants, restrictions, reservations, licences or easements or any disputes or outstanding notices (whether given by a landlord, a local authority or any other person) nor (without prejudice to the generality of the foregoing) are there any other matters or things which materially adversely affect the proper use and enjoyment of any of the Properties for the purpose of the business now being carried on at the Properties by the Company;

7.1.6 So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), the Company is not actually in, or alleged to be in, breach of any of the matters set out or referred to in paragraph 7.1.5 above nor is there any reason why such matters should not continue to be complied with; and

7.1.7 All mortgage certificates issued in respect of the Properties owned by the Company are in the possession of the Company and are not pledged.

#### **7.2 Rights, etc.**

So far as the Warrantors are aware, each Property benefits from all easements and other contractual rights (if any) necessary or appropriate for the continued use, enjoyment and maintenance of such Property by the Company for the purpose of its existing business carried on at or from such Property and for compliance with any obligations relating to the relevant Property (whether statutory or otherwise) and all such easements and rights are on terms which (without limitation) do not entitle any person to terminate or materially restrict or curtail them or impose any unusual or onerous conditions.

### 7.3 Outgoings

7.3.1 The Properties are not subject to the payment of any outgoings nor is the Company actually or contingently liable to pay any sum in relation to any Property other than the usual rates and taxes and rent and other sums payable under the terms of the leases.

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7.3.2 There is no outstanding liability for any rent or other sums currently due under the terms of the leases, rates, taxes or other outgoings in respect of any of the Properties.

### 7.4 Disputes

So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), there are no current contingent or anticipated notices, actions, disputes, complaints, liabilities, claims or demands relating to or in respect of the Properties or their use nor are there any circumstances rendering any of the foregoing likely.

### 7.5 Costs

So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), the Company is not anticipating liability for or the expenditure of any material sum of money in respect of any of the Properties save rent and other recurring liabilities under the leases (including (but without limitation) the obligation to repair or contribute to a service charge).

### 7.6 Property Liabilities

The Company has no actual or contingent obligations or liabilities in relation to any property interest other than under its existing title to the Properties.

### 7.7 Due diligence and information

The Company has provided true and complete copies of all deeds and documents relevant to its interest in the Properties.

### 7.8 Planning

7.8.1 Each of the Properties is presently used for the purpose referred to in Schedule 2 (“Existing Use”);

7.8.2 So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), the Existing Use, and any development carried out in respect of each of the Properties, is in all material respects in compliance with all legislation intended to control or regulate the construction demolition alteration or use of land or buildings or to preserve or protect the national heritage and any orders bye-laws or regulations made or granted under any of them (“Planning Legislation”);

7.8.3 So far as the Warrantors are aware, there are no lawfully enforceable restrictions or prohibitions which materially restrict or prohibit the Existing Use of any of the Properties. No application for consent or permission has been submitted relating to any of the Properties which awaits determination and no decision or deemed refusal is subject to appeal;

7.8.4 The Company has not received written notice of and is not aware of any allegation of any breach of planning permissions, orders or regulations.

7.8.5 The Company is not subject to any outstanding monetary claim or liability, actual or contingent, arising under Planning Legislation.

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### 7.9 Leasehold Properties

7.9.1 Where any of the Properties is leasehold, particulars of each lease vested in the Company are set out in Part 2 of Schedule 2. In relation to each such lease:

- (a) any consent necessary for the grant of the lease has been obtained;
- (b) no notices of breaches of any covenants or conditions contained in the lease have been given or received on the part of either the landlord or the Company and the landlord has not refused to accept rent or made any complaint of breach of covenant;
- (c) in respect of any alterations, improvements or additions made by the Company to the Property to which the lease relates, all necessary consents and approvals have first been obtained.

### 7.10 Inferior leases

None of the Properties owned or occupied by the Company is subject to any inferior leases and the Company is in actual occupation of each and every part of the Properties and no other person is or will be entitled to occupy or use any part of any of the Properties.

### 7.11 Statutory compliance/environmental issues

The Company has not received written notice of and is not aware of any allegation of breach of the requirements of any legislation and bye-law requirements relating to the Properties and in particular (but without limitation) to safety or environmental matters or any regulations, orders, notices

or directions made under any such legislation which in any such case affect any of the Properties.

## **8. ENVIRONMENTAL**

### **8.1 Compliance with Environmental Law**

Each Property has been used by the Company and/or ADAB, and the Business has been conducted, at all times in compliance with Environmental Law.

### **8.2 Permits**

8.2.1 All Permits have been obtained and have been Disclosed to the Buyer and are in full force and effect and their terms and conditions have been complied with. None of the Permits are due to expire or, on the assumption that the Business continues to be carried on as it is carried on at the date of Completion, will require renewal within five years from the date of this Agreement (save where new or amended Permits are required by the relevant authority due to the changes in technology or amendment of laws after the date of Completion);

8.2.2 No material operating expenditure is required in order to comply with the Permits;

8.2.3 So far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), no Permit is to be modified, suspended, revoked, not extended or not

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renewed and so far as the Warrantors are aware the sale of the Shares pursuant to this Agreement will not of itself (other than by reason of the identity of the Buyer) cause any such permit to be modified, suspended, revoked, not extended or not renewed;

8.2.4 So far as the Warrantors are aware, no significant repair, remedy, construction, or capital expenditure is or, as at the date of Completion, may be required under any Environmental Law or in order to carry on the Business lawfully at any Property substantially as it is presently carried on.

### **8.3 No litigation**

The Company is not and has not been involved in any litigation proceedings, claim or complaint by any person under Environmental Laws alleging actual or potential Environmental Liability, none is threatened and, so far as the Warrantors are aware, none is likely to arise. At no time has the Company received any notice or communication or information alleging any Environmental Liability or that any Remedial Action is required or stating or suggesting that there is or might be any pollution, contamination or nuisance at or from any Property.

### **8.4 Audits**

All environmental audits and other assessments, reviews and reports in the possession or control of the Company relating to any Property or any of the activities of the Company have been Disclosed.

### **8.5 Former subsidiaries**

The Company has no Environmental Liability in respect of matters arising out of or in connection with any act or omission of any former subsidiary, subsidiary undertaking or former business of the Company.

### **8.6 No transfer**

There has been no transfer to any person or disposal of Hazardous Matter by or on behalf of the Company which could give rise to fines, penalties, losses, damages, costs, expenses or liabilities.

### **8.7 No other liability**

The Company has no Environmental Liability to any person under any contract or other agreement relating to the sale or other disposal or grant of any interest or rights in relation to any shares, land or other asset.

## **9. OTHER ASSETS**

### **9.1 Title**

9.1.1 The Company has legal and beneficial title to all assets of the Company which are included in the Accounts or which were at the Balance Sheet Date used or held for the purposes of the Business other than the Properties and (except for assets disposed of or realised by the Company in the ordinary course of business) the Company retains such title to all such assets free from any Encumbrance, hire or hire purchase

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agreement or leasing agreement or agreement for payment on deferred terms and all such assets are in the possession and control of the Company and are sited within Sweden; and

9.1.2 The Company has not acquired or agreed to acquire any material asset on terms that title to such asset does not pass to the Company until full payment is made.



## **9.2 Encumbrances**

The Company has legal and beneficial title to all assets (other than the Properties) which have been acquired by the Company since the Balance Sheet Date and the same are in the possession and control of the Company and none is the subject of any Encumbrance nor has the Company created or agreed to create any Encumbrance or entered into any factoring arrangement, hire-purchase, conditional sale or credit sale agreement except that, if there is any such Encumbrance, arrangement or agreement it has been Disclosed and there has been no default by the Company in the performance or observance of any of its provisions.

## **9.3 Condition of assets**

The plant and machinery (including fixed plant and machinery) and all vehicles and office and other equipment shown in the Accounts or acquired since the Balance Sheet Date or otherwise used in connection with the Business which have not been disposed of in the ordinary course of business:

9.3.1 do not contravene any requirement or restriction having the force of law; and

9.3.2 are in reasonable repair and condition and are regularly maintained, fully serviceable and in satisfactory working order.

## **9.4 Condition of stock**

The Company's stock-in-trade is in good condition and is capable of being sold by the Company in the ordinary course of business in accordance with its current price list without rebate or allowance to a Buyer.

## **9.5 Rental payments**

Rentals payable by the Company under any leasing, hire-purchase or other similar agreement to which it is a party are set out in the Disclosure Documents and have not been increased from the amounts shown.

## **10. INSURANCE**

### **10.1 Extent of insurance**

Copies of the Company's insurance policies and schedules currently in effect have been Disclosed. All the assets of the Company which are of an insurable nature are and have at all material times been insured up to an amount which is reasonably prudent against fire and such other risks against which it would be considered reasonable prudent to insure having regard to the nature of the Business and the assets of the Company, and the Company is and has at all material times been adequately

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covered against such legal liability and risks which it would be considered reasonably prudent to insure having regard to the nature of the Business and the assets of the Company.

### **10.2 Premiums and claims**

Particulars of all policies of insurance of the Company now in force have been Disclosed and such particulars are true and correct and all premiums due on such policies have been duly paid and all such policies are valid and in force. So far as the Warrantors are aware there are no circumstances which might lead to any liability under such insurance being avoided by the insurers or the premiums being increased. There is no claim outstanding under any such policies and there are no circumstances likely to give rise to a claim.

## **11. LITIGATION**

### **11.1 Litigation and arbitration proceedings**

11.1.1 Save as plaintiff in the collection of debts (not exceeding 20,000 SEK in the aggregate) arising in the ordinary course of business, the Company is not engaged in any litigation, arbitration or mediation, administrative or criminal proceedings, whether as claimant, plaintiff, defendant or otherwise, and no litigation, arbitration or mediation, administrative or criminal proceedings by or against the Company is pending, threatened or expected and so far as the Warrantors are aware (having made reasonable enquiry of the Company), there is no fact or circumstance likely to give rise to any such litigation, arbitration or mediation, administrative or criminal proceedings or to any proceedings against any director or employee (past or present) of the Company in respect of any act or default for which the Company might be vicariously liable; and

11.1.2 The Company has not, in the last three years preceding the date of this Agreement, been involved in any litigation, arbitration or material dispute with any person who is or was a supplier or customer of importance to the Company or the Business, or where such litigation, arbitration or dispute resulted in adverse publicity or loss of goodwill.

## **12. DELIQUENT AND WRONGFUL ACTS**

12.1 The Company has not committed and is not liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty whether imposed by or pursuant to statute, contract or otherwise, and no claim that it has committed or is liable for any such act or breach remains outstanding against the Company.

12.2 So far as the Warrantors are aware (having made due and careful enquiry of the Company) the Company has not received notification that any investigation or enquiry is being or has been conducted by any governmental or other body in respect of the affairs of the Company and the Warrantors are not aware of any circumstances which would give rise to such investigation or enquiry.

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## **13. LICENCES**

### **13.1 General**

The Company has all necessary licences (including statutory licences but excluding Intellectual Property licences), permits, consents and authorities (public and private) necessary for the carrying on of the Business and in the manner in which it is now carried on and all such licences, permits, consents and authorities are valid and subsisting and neither the Company nor the Warrantors have received any notice that any of them is to be modified, suspended, revoked, not extended or not renewed and so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group) the subscription for the New Shares and the sale of the Sale Shares pursuant to this Agreement will not of itself (other than by reason of the identity of the Buyer) cause any of them to be modified, suspended, revoked, not extended or not renewed.

## **14. TRADING**

### **14.1 Consequence of acquisition of Sale Shares and the Subscription for the New Shares by Buyer**

The acquisition of the Sale Shares and the Subscription for the New Shares by the Buyer or compliance with the terms of this Agreement will not:

- 14.1.1 relieve any person of any contractual or other legal obligation to the Company or legally entitle any person to determine any such obligation or any right or benefit enjoyed by the Company or to exercise any contractual or other legal right, whether under an agreement with, or otherwise in respect of the Company;
- 14.1.2 conflict with or result in the breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which the Amarin Group is now a party or of any loan to or mortgage created by the Company or of its memorandum or articles of association;
- 14.1.3 result in any present or contingent indebtedness of the Company becoming due and payable or capable of being declared due and payable before its stated maturity;
- 14.1.4 so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), conflict with, violate or result in a breach of any law, regulation, order, decree or writ applicable to the Company (other than as a result of the identity of the Buyer), or entitle any person to receive from the Company any finder's fee, brokerage or other commission.

### **14.2 Guarantees and warranties**

The Company has not given any guarantee or warranty or made any representation in respect of articles or trading stock, sold or contracted to be sold by it, save for any warranty or guarantee implied by law and (save as aforesaid) has not accepted any liability or obligation to service, maintain, repair, take back or otherwise do or not do anything in respect of any articles or stock that would apply after any such article or stock has been delivered by it.

### **14.3 Restrictions on trading**

The Company is not and has not been a party to any agreement, arrangement, understanding or practice restricting the freedom of the Company to provide and take goods and services by such means and from and to such persons and into or from such place as it may from time to time think fit.

### **14.4 Business names**

The Company does not use on its letterhead, books or vehicles or otherwise carry on the Business under any name other than its corporate name.

### **14.5 Unlawful acts**

Neither the Company nor any officer has been prosecuted for any criminal, illegal or unlawful act connected with the Company.

### **14.6 Product Regulation**

So far as the Guarantor is aware, the Company is not in breach of any statute or, regulation having the effect of law with respect to the manufacture or distribution of its products and there are no outstanding claims against the Company in respect of defects in quality or delays in delivery or completion of contracts or deficiencies of design or performance of equipment or otherwise relating to liability for goods or services supplied or to be supplied by the Company and no such claims are threatened or anticipated.

## **15. COMPETITION AND TRADE REGULATION LAW**

### **15.1 Agreements, arrangements, etc.**

The Company is not and has not been a party to or is or has been concerned in any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement or any restrictive trading or other agreement or arrangement pursuant to which any part of its business is carried on, or which in any way restricts its freedom to carry on the whole, or any part, of the Business in any part of the world in such manner as it thinks fit;

## **16. CONTRACTS**

### **16.1 General**

There are no contracts entered into by the Guarantor of any of its Group Companies relating to or in connection with the Business to which the Company is not a party.

## **16.2 Onerous contracts**

Other than as Disclosed in the Disclosure Documents, there are no long term contracts (that is, contracts not terminable by the Company without penalty on six months' notice or less) or onerous or unusual or abnormal contracts (that is, contracts for capital commitments or contracts differing from those necessitated by the ordinary course of business) binding upon the Company, nor is the Company a party to any contract which contains any onerous or other provision material for disclosure to an intending buyer of the Shares and no expenses or liabilities of a material amount have

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been incurred before the date of this Agreement by the Company otherwise than for the purpose of the Company's business.

## **16.3 Material contracts**

All contracts to which the Company is a party with a value (payable or receivable to the Company) in excess of \$50,000 have been Disclosed and the Company is not a party to or subject to any agreement, transaction, obligation, commitment, understanding, arrangement or liability which:

- 16.3.1 is likely to result in a loss in excess of \$10,000 to the Company on completion of performance;
- 16.3.2 involves or is likely to involve obligations, restrictions, expenditure or receipts of an unusual, onerous or exceptional nature and not in the ordinary course of business;
- 16.3.3 is in any way otherwise than in the ordinary and proper course of the Company's business.
- 16.3.4 is or could be contravening applicable laws on competition; or
- 16.3.5 the execution or performance of this Agreement (i) should give any other contracting party the right to terminate or adversely change the terms and conditions of such agreement, or that would otherwise have a negative effect for the Company, or (ii) would constitute a violation or default by the Company, or (iii) would result in the creation of an Encumbrance on any assets or Properties of the Company.

## **16.4 Performance of Contracts**

- 16.4.1 The terms of all contracts of the Company have been complied with and all performance milestones have been met by the Company and, so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group) by the other parties to the contracts in all material respects and, so far as the Warrantors are aware, there are no circumstances likely to give rise to a default or a failure to meet a performance milestone by the Company nor has the Company been informed by any counterparties under any such contract that it is likely to be in default and, so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), there are no circumstances likely to give rise to a default or a failure to meet a performance milestone by any such counterparties;
- 16.4.2 There are no outstanding claims, separately or in the aggregate, of material amounts against the Company on the part of customers or other parties in respect of defects in quality or delays in delivery or completion of contracts or deficiencies of design or performance or otherwise relating to liability for goods or services sold or supplied by the Company and no such claims are threatened or anticipated and, so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group), there is no matter or fact in existence in relation to goods or services currently sold or supplied by the Company which might give rise to the same; and
- 16.4.3 The Company has no knowledge of the invalidity of, or grounds for rescission, avoidance or repudiation of, any agreement or other transaction to which the

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Company is a party and the Company has received no notice of any intention to terminate, repudiate or disclaim any such agreement or other transaction.

## **16.5 Agency and distribution agreements**

The Company is not a party to any subsisting agency or distributorship agreement.

## **16.6 Supply agreements**

The Company has entered into such supply agreements as the Directors, acting reasonably and having made reasonable enquiries, believe are necessary to enable the Company to fulfill its contractual obligations to third parties in the ordinary course of business and such supply agreements have been validly executed and are currently in full force and effect.

## **17. EMPLOYEES**

### **17.1 Particulars of employees**

The particulars shown in the schedule of employees comprised in the Disclosure Documents:

- 17.1.1 are true and complete;
- 17.1.2 show in respect of each Director, officer and employee of the Company, his date of birth, the date on which he commenced continuous employment with the Company and all remuneration payable and other benefits provided or which the Company is bound to provide (whether now or in the future) to each such person;
- 17.1.3 include full particulars of all remuneration arrangements (particularly profit sharing, incentive, bonus and severance arrangements to which the Company is a party, whether binding or not); and
- 17.1.4 list each Director and employee of the Company, and all of them are engaged exclusively in the Business.

## 17.2 Contracts of employment

There are no:

- 17.2.1 contracts of employment in force between the Company and any of its Directors, or employees which are terminable by the Company on any longer period of notice than what is regulated in the collective bargaining agreement between the employers' federation Almega and the unions SIF (Swedish union of clerical and technical employees in industry) and CF (Swedish association of graduate engineers) to which the Company is bound;
- 17.2.2 consultancy or management services agreements in existence between the Company and any other person, firm or company;
- 17.2.3 agreements or other arrangements (binding or otherwise) between the Company (or any employers' or trade association of which the Company is a member) and any

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trade union or works council except insofar as the collective bargaining agreement between the employers' federation Almega and the unions SIF (Swedish union of clerical and technical employees in industry) and CF (Swedish association of graduate engineers) is concerned; nor

- 17.2.4 outstanding pay negotiations with any employees, workers or trade unions.

## 17.3 Benefits

There are no:

- 17.3.1 amounts owing to present or former directors, officers or employees of the Company other than not more than one month's arrears of remuneration accrued or due or for reimbursement of business expenses incurred within a period of three months preceding the date of this Agreement;
- 17.3.2 moneys or benefits other than in respect of remuneration or emoluments of employment; nor
- 17.3.3 amounts payable to or for the benefit of any present or former director or employee of the Company or any dependant of any present or former director, or employee of the Company, other than by way of remuneration disclosed under current employment contracts.

## 17.4 Liabilities and payments

Save to the extent (if any) to which provision or allowance has been made in the Accounts:

- 17.4.1 no liability has been incurred or is anticipated by the Company in respect of:
  - (a) breach of any contract of employment or for services;
  - (b) severance payments, redundancy payments or protective awards;
  - (c) compensation for unfair dismissal or failure to comply with any order for the reinstatement or re-engagement of any employee or for sex, race or disability discrimination; nor
  - (d) any other liability accruing from the termination or variation of any contract of employment or for services;
- 17.4.2 no gratuitous payment has been made or promised by the Company in connection with the actual or proposed termination, suspension or variation of any contract of employment or for services of any present or former director, officer, employee or worker or any dependant of any present or former director or employee of the Company; and
- 17.4.3 the Company has not made or agreed to make any payment to, or provided or agreed to provide any benefit or change in terms and conditions of employment for, any present or former director or employee of the Company in connection with the sale and purchase under this Agreement.

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## 17.5 Relevant legislation

The Company has in relation to each of its employees and workers (and so far as relevant to each of its former employees and workers) complied with:

17.5.1 all obligations imposed on it by all relevant statutes, regulations and codes of conduct and practice (in each case having the effect or law) affecting its employment of any persons and all relevant orders and awards and has maintained current, adequate and suitable records regarding the service, terms and conditions of employment of each of its employees and workers; and

17.5.2 all collective agreements, local agreements and customs and practices for the time being affecting its employees and workers or their conditions of service.

## **17.6 Termination of employment**

17.6.1 No present director, officer or employee of the Company has given or received notice terminating his employment and completion of this Agreement will not contractually entitle any director, officer, employee to terminate his employment or trigger any contractual entitlement to a severance payment or liquidated damages.

17.6.2 The Warrantors have asked Stefan Ohlssen, Steffan Waxegaard, Peter Fyhr, Catrina Agardssen, Inger Norden, Yohan Delbacke and Anders Wallstedt whether they have any intention to resign within six months of the acquisition of the Business by the Buyer and they have answered in the negative.

## **17.7 Share and other schemes**

The Company does not have in existence nor is it proposing to introduce, and none of its directors, officers or employees participates in (whether or not established by the Company), any employee share trust, share incentive scheme, share option scheme or profit sharing scheme for the benefit of all or any of its present or former directors, officers or employees or workers or the dependants of any such persons or any scheme under this Agreement any present or former director, officer or employee or worker of the Company is entitled to a commission or remuneration of any other sort calculated by reference to the whole or part of the turnover, profits or sales of the Company or any other person, firm or company.

## **17.8 Disputes and claims**

17.8.1 No dispute exists between the Company and a material number or category of its employees or any trade union(s) or works council and so far as the Warrantors are aware there are no wage or other claims outstanding against the Company by any person who is now or has been a director, officer or employee or worker of the Company; and

17.8.2 The Company has not had during the last three years any strike, work stoppages, slow-down or work-to-rule by its employees or workers or lock-out, nor, so far as the Warrantors are aware, is any anticipated, which has caused, or is likely to cause, the Company to be materially incapable of carrying on the Business in the normal and ordinary course.

## **17.9 Agreements with trade unions**

Except insofar as the Disclosed collective bargaining agreement between the employers' federation Almega and the unions SIF (Swedish union of clerical and technical employees in industry) and CF (Swedish association of graduate engineers) is concerned, that are no other central or local collective bargaining agreements and the Company is not a party to any agreement or arrangement with or commitment to any trade union or staff association nor are any of its employees members of any trade union or staff association, and, so far as the Company is aware, no application for collective bargaining recognition by a trade union is pending.

## **18. HEALTH AND SAFETY**

### **18.1 Compliance with legislation**

The Business has at all times been conducted in compliance with all applicable legislation concerning health and safety matters and all and any regulations or orders made or issued under any such legislation and any relevant codes of practice, guidance notes and the like issued by government agencies, in each case having the effect of law (the "**Health and Safety Legislation**").

### **18.2 Compliance with Drug Production Legislation**

The Business has at all times complied with all applicable laws and regulations in respect of the research, development and production of drug products, including without limitation, the applicable regulations of the US Food and Drug Administration and the Swedish LMV.

### **18.3 No notice of liability**

At no time have or has the Seller or the Company had knowledge of and/or received any notice, claim or other communication alleging any contravention of or actual or potential liability under the Health and Safety Legislation.

## **19. PENSION SCHEMES**

### **19.1 No pension schemes**

The Company does not have and never has had any Pension Schemes, nor has been a party to any Pension Schemes by virtue of its status as a Group Company of the Guarantor.

## **20. INTELLECTUAL PROPERTY**

### **20.1 General**

The Company has all Intellectual Property licences necessary for the carrying on of the Business and in the manner in which it is now carried on and all such licences, are valid and subsisting and neither the Company nor the Warrantors have received any notice that any of them is to be modified, suspended, revoked, not extended or not renewed and so far as the Warrantors are aware (without making any enquiries outside of the Amarin Group) the sale of the Shares pursuant to this Agreement will

not of itself (other than by reason of the identity of the Buyer) cause any of them to be modified, suspended, revoked, not extended or not renewed.

## **20.2 Ownership**

- 20.2.1 Apart from the Listed IP, the Company does not own any registered Intellectual Property or applications to register Intellectual Property;
- 20.2.2 The Company is the sole legal, beneficial and registered owner of the Listed IP;
- 20.2.3 All Intellectual Property owned by the Company is owned free from Encumbrances;
- 20.2.4 Neither the Seller nor any of its respective Group Companies own any Intellectual Property that is used by the Company;
- 20.2.5 Apart from the Listed Exclusive IP, the Company does not use any Intellectual Property under an exclusive licence.

## **20.3 Validity**

- 20.3.1 In the last 6 years, none of the Seller, the Company and the Seller's Group Companies have received:
  - (a) written notice that any Listed Exclusive IP or Listed IP is being claimed, opposed or challenged by any third party;
  - (b) written advice from an in-house or external professional expressing doubt on the validity of any Listed Exclusive IP or any material Intellectual Property owned by the Company.
- 20.3.2 All fees, costs, charges and taxes required to maintain the Listed Exclusive IP and the Listed IP with the relevant registries and authorities have been duly paid on time;
- 20.3.3 The confidential information and know how used by the Company is kept confidential, and has not been disclosed to third parties other than in the ordinary course of business.

## **20.4 Infringement**

- 20.4.1 The Company is not subject to any injunction prohibiting the infringement of Intellectual Property and has not settled claims for infringement by giving any undertakings that remain in force.
- 20.4.2 The Warrantors have no reason for believing that the activities of the Company may have infringed Intellectual Property during the last 6 years;
- 20.4.3 The Warrantors have no reason for believing that any Listed Exclusive IP or material Intellectual Property owned by the Company may have been infringed during the last 6 years;

- 20.4.4 In the last 6 years, the Company has not been engaged in proceedings, nor received or given written notice threatening proceedings, for infringement of Intellectual Property.

## **20.5 Agreements**

- 20.5.1 Save as may appear from the Listed IP Agreements:
  - (a) no third party has been authorised to use any material Intellectual Property owned by the Company nor has a third party been granted any other right, title or interest in such Intellectual Property by the Company;
  - (b) the Company does not use any Intellectual Property that is material to the Business under licence.
- 20.5.2 So far as the Warrantors are aware, the terms of all Listed IP Agreements have been complied with by the Company;
- 20.5.3 The Warrantors have no actual knowledge that the terms of the Listed IP Agreements have not been complied with by the parties to it other than the Company;
- 20.5.4 In the last 2 years, the Company has not given or received written notice that avoids, repudiates, rescinds or terminates any agreement which authorises the use of Intellectual Property (or purports to do so);
- 20.5.5 To the extent necessary for the benefit of the Company, the Listed IP Agreements (or their relevant details) have been duly recorded with the relevant registries or other authorities.

## **21. INFORMATION TECHNOLOGY**

## **21.1 Identification and ownership**

- 21.1.1 Part 1 of Schedule 8 contains brief particulars of all IT Systems;
- 21.1.2 Part 2 of Schedule 8 contains brief particulars of all IT Contracts;
- 21.1.3 Save as set out in Part 2 of Schedule 8, all IT Systems and data are owned by the Company, and are not wholly or partly dependent on any facilities or services not under the exclusive ownership and control of the Company;
- 21.1.4 All the IT Contracts are valid and binding. So far as the Warrantors are aware, none of the IT Contracts has been the subject of any breach or default, or of any event which (with notice or lapse of time or both) would constitute a default, or is liable to be terminated or otherwise adversely affected by the transaction contemplated by this Agreement; and
- 21.1.5 The Company has in its possession or in its control the source code of all Software used by it for the purposes of the Business.

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## **21.2 Computer operation and maintenance**

All IT Systems are in reasonable repair and condition and are regularly maintained, fully serviceable and in satisfactory working order.

## **21.3 Data Protection**

The Company has at all times complied with applicable data protection legislation.

## **22. Legislation**

The Company is not in breach of, has not received notice of and is not aware of any allegation of breach of the requirements of any legislation which is applicable to it.

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## **Part 2**

### **Tax Warranties**

1. The Company has properly filed with the appropriate Taxation Authority all tax returns and reports required to be filed for all tax periods ending prior to the date of Completion and such filings are true, correct and complete in all material respects and all information required for a correct assessment of Tax has been provided, and the Company is not in arrears with the payment of any Tax due to any Taxation Authority.
2. The tax returns of the Company have been assessed and approved by the Taxation Authorities through the tax years up to and including the years for which such assessment and approval should have been given and so far as the Warrantors are aware, the Company is not subject to any dispute with any such authority.
3. All Tax that has become due by the Company on or before the Accounts Date has been fully paid or fully provided for in the Accounts.
4. There are no tax audits, disputes or disagreement outstanding or pending with any Taxation Authority regarding any liability or potential liability to any Tax of the Company or regarding the availability of any relief from Tax to the Company which the Company has claimed, and, so far as the Warrantors are aware, there is no basis for assessment of any deficiency in any Tax against the Company which has not been provided for in the Accounts or which has not been paid.
5. The Company has not been involved in any transactions, which could be considered as tax evasion.
6. All transactions and agreements entered into by the Company with the Seller or any Connected Person have been made on terms and conditions which do not in any way deviate in any material respect, from what would have been agreed with an independent party (on an arm's length basis).
7. All losses for tax purposes incurred by the Company are trading losses and, subject to any event on or after Completion, are available to be carried forward and set off against income in succeeding periods without limitation and have been accepted by the relevant Taxation Authorities.
8. The Company is not and has not been subject to any taxation outside Sweden.
9. No Tax will be due in the Company by virtue of the sale of the Sale Shares under this Agreement.

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## **SCHEDULE 5**

### **BASIS FOR PREPARATION OF THE COMPLETION BALANCE SHEET**

## 1. GENERAL REQUIREMENTS

Subject to the provisions of paragraphs 2 to 3 of this Schedule, the Completion Balance Sheet shall be prepared:

- (a) under the historical cost convention and in accordance with Swedish GAAP; and presented in English; and
- (b) on a basis consistent with the unaudited consolidated balance sheet prepared for the management accounts of the Company and ADAB made up to the Balance Sheet Date.

Paragraph 2 shall have priority over paragraph 3.

## 2. BALANCE SHEET

Unless already taken into account, the following principles shall be observed in drawing up the consolidated balance sheet which is to form the Completion Balance Sheet:

- (a) includes all current on-balance sheet assets and liabilities (i.e. excluding operating leases);
- (b) sums receivable in respect of debtors shall not be included at sums higher than the amounts collectable, making appropriate provision for doubtful debts;
- (c) stocks and work-in-progress shall be valued at the lower of cost and net realisable value;
- (d) liabilities shall include accruals at the close of business on the date of Completion;
- (e) no value shall be attributable to goodwill or any other intangible asset;
- (f) full provision shall be made for all Taxation, including deferred taxation.

## 3. TRUE AND FAIR VIEW

Subject to the provisions of paragraph 2: (a) the Completion Balance Sheet shall show a true and fair view of the state of affairs of the Company and ADAB at the close of business on the date of Completion; and (b) all accruals and reserves have been properly accounted for and taken in accordance with Swedish GAAP.

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## 4. SAMPLE FORMAT

The following schedule provides an example of the format to be used when presenting the completion accounts.

	Swedish GAAP SEK'000 30 Sep 2003	Swedish GAAP SEK'000 [Closing]*	Movement SEK'000
<b>Current assets (A):</b>			
<b>INVENTORY</b>	526	526	
Receivables and prepaid:			
Trade	4,743	4,743	
Other	102	102	
Accrued royalties	3,083	3,083	
Prepaid	1,280	1,280	
VAT	348	348	
Cash at bank	289	289	
<b>Total (A)</b>	<b>10,371</b>	<b>10,371</b>	
<b>Liabilities (B):</b>			
Overdraft	(2,600)	(2,600)	
Trade	(1,436)	(1,436)	
Accrued royalties payable	(1,334)	(1,334)	
Social security and payroll taxes	(1,479)	(1,479)	
Accrued holiday	(3,182)	(3,182)	
Other accruals	(377)	(377)	
<b>Total (B)</b>	<b>(10,408)</b>	<b>(10,408)</b>	
<b>Deferred taxation (asset) (C):</b>	<b>2,480</b>	<b>2,480</b>	
<b>Net Assets (A+B+C)</b>	<b>2,443</b>	<b>2,443</b>	<b>—**</b>

\* Uses 30 September 2003 management accounts for illustration only

\*\* This movement represents the relevant change in net assets for determining the adjustment to the purchase consideration for the shares.

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## SCHEDULE 6

### COMPLETION

#### Part 1

#### 1. SELLER'S OBLIGATIONS

On Completion, the Seller shall deliver to the Buyer:

- 1.1 a copy of the minutes of a meeting of the directors of each of the Warrantors authorising the execution by that Warrantor of this Agreement (such copy minutes being certified as correct by an officer of that Warrantor);
- 1.2 statements from each of the banks at which the Company and ADAB maintains an account of the amount standing to the credit or debit of all such accounts as at the close of business on the last Business Day before Completion;
- 1.3 the cash book balances of the Company and ADAB as at Completion with statements reconciling such cash book balances and the relevant cheque books (if any) with the balances on the bank accounts of the Company and ADAB as shown by the statements referred to in sub-paragraph 1.2 of this Schedule 6 above;
- 1.4 the cheque books (if any) relating to all the bank accounts of the Company and ADAB, together with confirmation that no cheques have been written by the Company or ADAB since preparation of the statements referred to in sub-paragraph 1.3 of this Schedule 6 above;
- 1.5 all charges, mortgages, debentures and guarantees to which the Company and/or ADAB is a party, together with duly sealed discharges;
- 1.6 all replacement share certificates representing the Sale Shares, endorsed to the Buyer or its nominee(s), together with any pertaining dividend coupons and a transaction note evidencing the transfer of the Shares;
- 1.7 all replacement share certificates representing the shares of ADAB, together with any pertaining dividend coupons;
- 1.8 the Company and shareholder registers evidencing that the Buyer has been duly entered as the holder of the Shares;
- 1.9 ensure that all Directors retire from their respective offices (to the extent requested by the Buyer) as from the Completion, each such Director acknowledging in writing that he has resigned as a Director of the Company or ADAB, as the case may be, and that he has no claims against the Buyer, the Company or ADAB for compensation or otherwise;
- 1.10 the Escrow Account mandate letter signed by the Seller's Solicitors; and
- 1.11 mortgage certificates representing all floating charges in the Company and ADAB and all mortgages on the Property owned by the Company and ADAB.

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#### 2. BUYER'S OBLIGATIONS

On Completion, the Buyer shall deliver to the Seller:

- 2.1 the Escrow Account mandate letter signed by the Buyer's Solicitors;
- 2.2 a Secretary's Certificate confirming that the board of directors of Watson has authorised the execution by Watson of this Agreement; and
- 2.3 a copy of the minutes of a meeting of the directors of the Buyer authorising the execution by the Buyer of this Agreement.

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#### Part 2

On Completion, the Seller shall cause a shareholder meeting and a board meeting of the Company and of ADAB to be held at which:

- (a) persons nominated by the Buyer (in the case of directors subject to any maximum number imposed by the relevant articles of association) shall be appointed additional directors and company signatories;
- (b) the resignations referred to in sub-paragraph 1.13 of Schedule 6, Part 1 shall be tendered and accepted so as to take effect at the close of the meeting; and
- (c) all existing instructions and authorities to bankers shall be revoked and shall be replaced with alternative instructions, mandates and authorities in such form as the Buyer may require.

On Completion, the Buyer shall:

- (a) prepare true accounts of the aforementioned meetings as well as the necessary ancillary documentation;
- (b) procure that the said documentation, as soon as practicable following such meetings, is submitted to the Patent and Registration Office for registration; and
- (c) at the next general meeting of the Company and ADAB, the Buyer undertakes to grant the directors of the Company and ADAB, as the case may be, who have retired in the last fiscal year and in connection with Completion, discharge from liability for their administration until the date of Completion (or the earlier date of their retirement), provided that the respective auditors of the Company and ADAB do not recommend against such discharge in the auditor's report for the relevant period.

## SCHEDULE 7

### INTELLECTUAL PROPERTY

#### Part 1

#### Listed IP

#### AMARIN'S PATENT FAMILIES

##### A. ORAL CONTROLLED-RELEASE TABLET TECHNOLOGY

- 1. Original Multipor technology ("Traditional")
- 2. 2nd Multipor system ("Pellets") (Multiple Unit)
- 3. 3rd Multipor system ("Biphasic")
- 4. Once-daily morphine tablets
- 5. Rhotard Oral Controlled-Release
- 6. Oral Controlled-Release for Insoluble Compounds (Nifedipine) (TRIGLAS)
- 7. 2<sup>nd</sup> Generation Technology (once-daily, retained)

##### B. NEW PATENT APPLICATIONS

- 1. Aquapor technology
- 2. ZOEM (Erodix)
- 3. Food Protection
- 4. NAPDES

##### C. CIBUS

- 1. Granular Drug Delivery System CBUS-002/09
- 2. Sustained-Release Drug Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/04
- 3. NSAID Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/05
- 4. NSAID Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/06
- 5. Purified Galactomannan as an Improved Pharmaceutical Excipient CBUS-007
- 6. Colonic Delivery of Drugs CBUS-008
- 7. Delivery of Drugs to the Lower GI Tract CBUS-008/01
- 8. Delivery of Drugs to the Lower GI Tract CBUS-008/01 - European

##### D. REGISTERED TRADE MARKS

- 1. Theobret
- 2. Multipor
- 3. Kalipor
- 4. Gacell
- 5. Bidocyl
- 6. Rhotard
- 7. Colidex
- 8. SRM-Rhotard

- 9. Triglas

#### A. ORAL CONTROLLED-RELEASE TABLET TECHNOLOGY

- 1. Original Multipor technology ("Traditional")**

**MULTIPOR Oral Controlled-Release**

Title: Sustained release tablets and method for preparations thereof  
 Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
Belgium (2)	0211991	23.8.1985	Granted	23.8.2005
Germany (2)	P3573884.7	23.8.1985	Granted	23.8.2005
Ireland	58262	22.8.1985	Granted	22.8.2005
Japan	2029524	6.9.1985	Granted	6.9.2005
Luxembourg (2)	0211991	23.8.1985	Granted	23.8.2005
New Zealand	213244	27.8.1985	Granted	27.8.2005
South Africa	85/6546	28.8.1985	Granted	28.8.2005
Switzerland (2)	0211991	23.8.1985	Granted	23.8.2005
Great Britain (2)	0211991	23.8.1985	Granted	23.8.2005
Austria (2)	E47519	23.8.1985	Granted	23.8.2005
Canada	1251731	4.9.1985	Granted	28.3.2006
France (2)	0211991	23.8.1985	Granted	23.8.2005
S Korea	63850	5.9.1985	Granted	5.9.2005
Netherlands (2)	0211991	23.8.1985	Granted	23.8.2005
Sweden (2)	0211991	23.8.1985	Granted	23.8.2005
Denmark	153520	2.9.1985	Granted	2.9.2005
Norway	172834	29.8.1985	Granted	29.8.2005
Finland	86373	5.9.1985	Granted	5.9.2005
Spain	546727	5.9.1985	Granted	5.1.2007
Taiwan	26484	4.9.1985	Granted	4.9.2005
USA	4557925	5.9.1984	Granted	5.9.2004
USA	4629620	19.9.1985	Granted	19.9.2005
USA	4629619	19.9.1985	Granted	19.9.2005
Greece	852159	6.9.1985	Granted	6.9.2005
Italy (1) (2)	0211991	23.8.1985	Granted	23.8.2005
Philippines	21597	4.9.1985	Granted	11.12.2004
Portugal	81091	5.9.1985	Granted	10.7.2006
Hungary	196313	5.9.1985	Granted	5.9.2005
Australia	574220	30.8.1985	Abandoned	
Israel	76257	30.8.1985	Abandoned	

Notes: (1) Ownership by Gacell Laboratories AB now recorded.

(2) Derived from EP 0211 991.

Inventors: Stig A B Erlandsson, Åke R Lindahl.

Owner: Gacell Laboratories AB.

Priority Information: USA application 4557925, filed 5 September 1984.

Granted: 28 Pending: 0 Abandoned: 2

## 2. 2nd Multipor system ("Pellets") (Multiple Unit)

Title: Novel dosage form  
 Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
Denmark	5339/89	26.10.1989	Examination	26.10.2009
Finland	102455	25.10.1989	Granted	25.10.2009
Germany (2)	P68907177.9	14.10.1989	Granted	14.10.2009
Japan	2095270	25.10.1989	Granted	25.10.2009
New Zealand	231093	20.10.1989	Granted	20.10.2009
Switzerland (2)	0365947	14.10.1989	Granted	14.10.2009
Great Britain (2)	0365947	14.10.1989	Granted	14.10.2009
Canada	2000932	18.10.1989	Granted	18.10.2009
France (2)	0365947	14.10.1989	Granted	14.10.2009
S Korea	120 111	26.10.1989	Granted	12.08.2012
Norway	179 478	25.10.1989	Granted	25.10.2009
Sweden (2)	0365947	14.10.1989	Granted	14.10.2009
USA	5178868	4.10.1991	Granted	12.01.2010

Portugal	92103	25.10.1989	Granted	12.4.2010
Italy (1) (2)	365947	14.10.1989	Granted	14.10.2009
Hungary	201883	26.10.1989	Granted	26.10.2009
Spain (2)	0365947	14.10.1989	Granted	14.10.2009
Latvia (1)	10382	14.10.1989	Abandoned	
Philippines	26653	25.10.1989	Abandoned	
Australia	612525	24.10.1989	Abandoned	
Belgium (2)	0365947	14.10.1989	Abandoned	
Ireland	62640	17.10.1989	Abandoned	
Luxembourg (2)	0365947	14.10.1989	Abandoned	
Netherlands (2)	0365947	14.10.1989	Abandoned	
South Africa	89/8127	26.10.1989	Abandoned	
Austria (2)	E90556	14.10.1989	Abandoned	

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Greece (2)	365947	14.10.1989	Abandoned	
Israel	92036	18.10.1989	Abandoned	
China	89108221	26.10.1989	Abandoned	
Hong Kong (1)	123394	14.10.1989	Abandoned	
British Virgin Islands (1)	179/1/1995	14.10.1989	Withdrawn	Closed 9 feb 2001-02-09

Notes: (1) Ownership by Gacell Laboratories AB now recorded.  
(2) Derived from EP0365947.

Inventors: Karin Malmquist-Granlund, Christer Hermansson, Sören Kulstad.

Owner: Gacell Laboratories AB.

Priority Information: Swedish application 8803822-9, filed 26 October 1989.

Granted: 16 Pending: 1 Abandoned: 13

### 3. 3rd Multipor system ("Biphasic")

Title: Controlled-release medical preparations

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
Japan	2527713	6.9.1985	Granted	6.9.2005
New Zealand	213245	27.8.1985	Granted	27.8.2005
Great Britain (2)	0173928	23.8.1985	Granted	23.8.2005
Canada	1252723	4.9.1985	Granted	18.4.2006
Sweden (2)	0173928	23.8.1985	Granted	23.8.2005
USA	4824678	4.9.1985	Granted	25.4.2006
Australia	576891	30.8.1985	Abandoned	
Belgium (2)	0173928	23.8.1985	Abandoned	
Ireland	58263	22.8.1985	Abandoned	
Israel	76256	30.8.1985	Abandoned	
Luxembourg (2)	0173928	23.8.1985	Abandoned	
South Africa	85/6547	28.8.1985	Abandoned	
Switzerland (2)	0173928	23.8.1985	Abandoned	
Austria (2)	E53490	23.8.1985	Abandoned	
France (2)	0173928	23.8.1985	Abandoned	
S Korea	63849	5.9.1985	Abandoned	
Taiwan	29422	4.9.1985	Abandoned	

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Netherlands (2)	0173928	23.8.1985	Abandoned	
Denmark	164256	2.9.1985	Abandoned	
Spain	546728	5.9.1985	Abandoned	
Finland	87042	5.9.1985	Abandoned	
Norway	169996	29.8.1985	Abandoned	
Greece	852158	6.9.1985	Abandoned	
Italy (1) (2)	0173928	23.8.1985	Abandoned	
Philippines	22119	4.9.1985	Abandoned	
Portugal	81092	5.9.1985	Abandoned	

Germany (2)	3578123.8	23.8.1985	Abandoned
Hungary	194495	5.9.1985	Abandoned

Notes: (1) Ownership by Gacell Laboratories AB now recorded.  
(2) Derived from EP0173928.

Inventors: Bo M Ekman, Åke R Lindahl.

Owner: Gacell Laboratories AB.

Priority Information: Swedish application 8404467-6, filed 6 September 1984.

Granted: 6 Pending: 0 Abandoned: 22

#### 4. Once-daily morphine tablets

Title: Controlled release morphine preparation  
Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
China	93/118344.8	29.7.1993	Granted	29.7.2013
Australia	662239	28.7.1993	Granted	28.7.2013
Canada	2140254	28.7.1993	Examination	28.7.2013
Japan	50522594	28.7.1993	Examination	28.7.2013
Russia	2114613	28.7.1993	Granted	28.7.2013
USA	5520931	28.7.1993	Granted	28.7.2013
Germany	P693 23428.8	28.7.1993	Granted	28.7.2013
Sweden	652 747	28.7.1993	Granted	28.7.2013
Israel	106477	26.7.1993	Abandoned	
S Africa	93/5488	29.7.1993	Abandoned	
European	EP 652 747	28.7.1993	Granted	28.7.2013
Finland	95/0319	28.7.1993	Examination	28.7.2013

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Hungary	221683	28.7.1993	Abandoned	
S Korea	156 038	28.7.1993	Abandoned	
Norway	307407	28.7.1993	Abandoned	
New Zealand	254314	28.7.1993	Abandoned	
Poland	172571	28.7.1993	Granted	28.7.2013
Greece	652 747	28.7.1993	Abandoned	
Luxemburg	652 747	28.7.1993	Abandoned	
Austria	E 176 398	28.7.1993	Abandoned	
Belgium	652 747	28.7.1993	Abandoned	
Switzerland	652 747	28.7.1993	Abandoned	
Denmark	652 747	28.7.1993	Abandoned	
Spain	652 747	28.7.1993	Abandoned	
France	652 747	28.7.1993	Abandoned	
Great Britain	652 747	28.7.1993	Abandoned	
Ireland	652 747	28.7.1993	Abandoned	
Italy	652 747	28.7.1993	Abandoned	
Monaco	652 747	28.7.1993	Abandoned	
Netherlands	652 747	28.7.1993	Abandoned	
Portugal	652 747	28.7.1993	Abandoned	

Inventors: Christiane Persson, Staffan Waxegård, Sören Kulstad, Lennart Frigren.

Owner: Gacell Laboratories AB.

Priority Information: Swedish application 9202250-8, filed July 1993.

Granted: 8 Pending: 3 Abandoned: 20

#### 5. Rhotard Oral Controlled-Release

Title: Double matrix formulation  
Agent: Boulton Wade Tennant

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)	Patent- letter
United Kingdom (2)	2186485	13.2.1986	Granted	13.2.2006	X
Austria (1)	E64849	12.2.1987	Granted	12.2.2007	

Belgium (1)	0235986	12.2.1987	Granted	12.2.2007
Switzerland (1)	0235986	12.2.1987	Granted	12.2.2007
Germany (1)	P3771091.5	12.2.1987	Granted	12.2.2007
France (1)	0235986	12.2.1987	Granted	12.2.2007
United Kingdom (1)	0235986	12.2.1987	Granted	12.2.2007

Greece (1)	3030706	12.2.1987	Granted	12.2.2007	X
Italy (1)	0235986	12.2.1987	Granted	12.2.2007	X
Luxembourg (1)	0235986	12.2.1987	Granted	12.2.2007	
Netherlands (1)	0235986	12.2.1987	Granted	12.2.2007	
Sweden (1)	0235986	12.2.1987	Granted	12.2.2007	X
Spain (1)	2029269	12.2.1987	Granted	12.2.2007	
Ireland	59451	9.2.1987	Granted	9.2.2007	X
Australia	589254	13.2.1987	Granted	13.2.2007	
New Zealand	219204	9.2.1987	Granted	9.2.2007	X
Japan	2136314	13.2.1987	Granted	13.2.2007	X
Philippines	25347	11.2.1987	Granted	13.5.2008	X
South Africa	87.1030	12.2.1987	Granted	12.2.2007	X
USA	4880830	9.2.1987	Granted	9.2.2007	X
Denmark	741/87	13.2.1987	Examination	13.2.2007	
Finland	91482	12.2.1987	Granted	12.2.2007	X
Norway	175240	12.2.1987	Granted	12.2.2007	X
European	0235986				X

Notes: (1) European Application derived from EP0235986.  
(2) Covers the same invention as EP0235986. Might be forced to be abandoned by UK authorities.

Inventor: Alan Rhodes.

Owner: Ethical Pharmaceuticals Limited.

Priority Information: UK application 8603523, filed 13 February 1986.

Granted: 22 Pending: 1

\* EP 0235986 (App. No. 87301231.4) –new grant document received (4.5.99) following successful opposition decision.

## 6. Oral Controlled-Release for Insoluble Compounds (Nifedipine) (TRIGLAS)

### 1<sup>st</sup> Generation Technology

Title: Nifedipine slow release formulations

**\* Twice daily to be abandoned.**

Agent: Boulton Wade Tennant.

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)	Patent- letter
Philippines	26850	9.2.1990	Granted	5.11.2009	X
South Africa	90.0904	7.2.1990	Granted	7.2.2010	X
USA	5145683	30.1.1990	Granted	30.1.2010	X
Canada	2008972	31.1.1990	Granted	31.1.2010	X
Finland	95347	8.2.1990	Granted	8.2.2010	X
Norway	175925	26.1.1990	Granted	26.1.2010	X
Austria (1)	E79032	31.1.1990	Abandoned		
Belgium (1)	0385582	31.1.1990	Abandoned		
Switzerland (1)	0385582	31.1.1990	Abandoned		
Germany (1)	P69000240.8	31.1.1990	Abandoned		
France (1)	0385582	31.1.1990	Abandoned		
United Kingdom (1)	0385582	31.1.1990	Abandoned		
Greece (1)	3005477	31.1.1990	Abandoned		
Italy (1)	0385582	31.1.1990	Abandoned		
Luxembourg (1)	0385582	31.1.1990	Abandoned		
Netherlands (1)	0385582	31.1.1990	Abandoned		
Sweden (1)	0385582	31.1.1990	Abandoned		
Spain (1)	2052168	31.1.1990	Abandoned		

Denmark (1)	0385582	31.1.1990	Abandoned	X
Ireland	64682	25.1.1990	Abandoned	X
Australia	626130	31.1.1990	Abandoned	X
New Zealand	232287	30.1.1990	Abandoned	X
Japan (2079473)	112974/1995	13.2.1990	Abandoned	X
European	0385582	31.1.1990	Abandoned	X

Notes: (1) Derived from EP0385582.

Inventor: Alan Rhodes.

Owner: Ethical Pharmaceuticals Limited.

Priority Information: UK application 8903328.6, filed 14 February 1989.

Granted: 6 Abandoned 18 Pending: 0

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## 7. 2<sup>nd</sup> Generation Technology (once-daily, retained)

Title: Pharmaceutical compositions containing nifedipine and processes for the preparation thereof.

Agent: Mewburn Ellis

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)	Patent- letter
Iceland	1620	11.1.1993	Abandoned		X
Argentina	251 650	13.1.1993	Granted	23.2.2013	X
United Kingdom (1)	2277872	12.1.1993	Abandoned		X
Hungary (1)	210539	12.1.1993	Abandoned		X
Hungary (1)	219338	12.1.1993	Abandoned		X
Philippines	30985	12.1.1993	Abandoned		X
Malaysia	PI9300048/ MY- 110660-A	12.1.1993	Abandoned		X
South Africa	930195	12.1.1993	Abandoned		X
Thailand	017892	12.1.1993	Withdrawn		
Indonesia	0001333	12.1.1993	Abandoned		X
Poland (1)	170935	12.1.1993	Abandoned		X
Singapore	9592257-1	12.1.1993	Abandoned		X
Australia (1)	659529	12.1.1993	Abandoned		X
Canada (1)	2126864	12.1.1993	Abandoned		
Japan (1)	5-512264	12.1.1993	Abandoned		
USA (1)	5594013	12.1.1993	Abandoned		X
Finland (1)	943316	12.1.1993	Abandoned		
South Korea (1)	94-702420	12.1.1993	Examination	12.12.2013	
Norway (1)	305223	12.1.1993	Abandoned		X
New Zealand (1)	246374	12.1.1993	Abandoned		X
Russian Federation (1)	2106139	12.1.1993	Abandoned		X
European Patent Application designating(1)	0620733 (App. No: 93901850.3)	12.1.1993	Abandoned		X
AT BE CH/LI DE DK ES FR IE IT NL PT SE					DK X
Austria (1)	939017	12.1.1993	Abandoned		X
Denmark (1)	94837 (0837/94?)	12.1.1993	Abandoned (Epn granted)		
Netherlands (1)	9320021	12.1.1993	Withdrawn		
Germany (1)	P4390075.5	12.1.1993	Withdrawn		
Luxembourg (1)	88512	12.1.1993	Withdrawn		X
Sweden (1)	9402457-7	12.1.1993	Withdrawn		

Notes: (1) Derived from PCT/GB93/00055.

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Inventor: David Trigger.

Owner: Ethical Pharmaceuticals Ltd.

Priority Information: GB9200607.1, filed 13 January 1992.

Granted: 1 Abandoned: 30 Pending: 1 Withdrawn 4

## B. NEW PATENT APPLICATIONS

### 1. Aquapor technology

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date
Sweden	0001151-0	31 Mar 2000	Withdrawn	
PCT	SE01/00626	23 Mar 2001	Application	
USA	09/819813	29 Mar 2001	Application	
Japan	2001-572081	27 Sep 2002	Application	

Inventors: Peter Fyhr, John Kendrup.

Owner: Amarin Development AB.

Summary: Aquapor technology.

### 2. ZOEM (Erodix)

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date
Sweden	0004671-4	15 Dec 2000	Withdrawn	—
USA	09/788414	21 Feb 2001	Application	Rejected
USA-Continuation	10/342222	15 Jan 2003	Application	
EPC	02076991.5	16 May 2002	Application	
Japan	2002-159550	31 May 2002	Application	

Inventors: Catarina Carling, Peter Fyhr, Inger Nordén.

Owner: Amarin Development AB.

Summary: ZOEM (Erodix).

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### 3. Food Protection

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date
Sweden	9903879-6	28 Oct 1999	Withdrawn	—
Europe EPC Sweden UK France Italy Spain Germany	850162.9 publ. nr 1095651	11 Oct 2000	Application	11 Oct 2020
Japan	2000-329035	27 Oct 2000	Application	

Inventors: Marta Corselli, Peter Fyhr, Staffan Waxegård.

Owner: Amarin Development AB.

Summary: Food Protection.

### 4. NAPDES

Agent: Albihns A/S

Country	Application/ Patent No	Application Date	Status	Expiry Date
Denmark	PA 2002 00275	21 Feb 2002	Application	
PCT	PCT/EP03/ 01909	20 Feb 2003	Application	
USA	10/372,045	20 Feb 2003	Application	

Inventors: Peter Fyhr, John Kendrup, Johan Borgström.

Owner: Amarin Development AB.

Summary: Nano technology.



C. CIBUS

1. Granular Drug Delivery System CBUS-002/09

Agent: Awapatent

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Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
USA	5641511	24.6.1997	Granted	7.4.2008

Inventor: Eric H. Kuhrts.

Owner: (Amarin Development AB).

Priority Information:

Granted: 1 Pending:

2. Sustained-Release Drug Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/04

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
Australia	709413	9.12.99	Granted	30.11.2015
Singapore	9702320-4	30.11.1995	Withdrawn	

Inventors: Erik H. Kuhrts et.al.

Owner: Amarin Development AB (Austr)

Priority Information:

Granted: 1 Pending:

3. NSAID Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/05

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
Australia	690417	6.8.1998	Granted	30.11.2015
Canada	2205442	30.11.1995	Granted	30.11.2015

Inventors: Eric H. Kuhrts et. al.

Owner: Amarin Development AB (Austr) / Venture Lending

Priority Information:

Granted: 2 Pending:

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4. NSAID Delivery Employing a Powdered Hydrocolloid Gum Obtainable From Higher Plants CBUS-003/06

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
USA	5993860	30.11.1999	Granted	17.6.2013

Inventor: Eric H. Kuhrts.

Owner: (Amarin Development AB).

Priority Information:

Granted: 1 Pending:

5. Purified Galactomannan as an Improved Pharmaceutical Excipient CBUS-007

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
USA	6063402	16.5.2000	Granted	16.5.2017
Canada	2224162		Examination	7.6.2016

Inventors: Mark S Gebert et.al.

Owner: (Amarin Development AB).

Priority Information:

Granted: 1 Pending: 1

## 6. Colonic Delivery of Drugs CBUS-008

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
USA	5656294	12.8.1997	Granted	7.6.2015

Inventors: David Friend, David Wong.

Owner: (Amarin Development AB).

Priority Information:

Granted: 1 Pending:

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## 7. Delivery of Drugs to the Lower GI Tract CBUS-008/01

Agent: Awapatent

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
USA	5811388	22.9.1998	Granted	22.9.2015
Canada	2224170		Examination	7.6.2016

Inventors: David Friend, David Yong.

Owner: (Amarin Development AB).

Priority Information:

Granted: 1 Pending: 1

## 8. Delivery of Drugs to the Lower GI Tract CBUS-008/01 - European

Agent: Mewburn Ellis

Country	Application/ Patent No	Application Date	Status	Expiry Date (projected)
European	96919237.6	7.6.1996	Examination	

Inventors: David Friend, David Yong.

Owner: Amarin Development AB.

Priority Information:

Granted: Pending: 1

## D. REGISTERED TRADE MARKS

### 1. Theobret

Country	Date of Registration	Registration No./Application No.	Class	Renewal date
Malaysia	20.11.1984	05429/84	5	20.11.2005
Switzerland	7.7.1981	313328	5	Abandoned 7.7.2001
Singapore	5.4.1984	1575/84	5	Abandoned 2.2.2001
Philippines	27.1.1998	37917 (Appl.)	5	Abandoned

New Zealand	18.10.1984	155353	5	25.9.2001 18.10.2005
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Hong Kong	20.6.1983	1938/84	5	20.6.2004
United Kingdom	1.7.1981	1156880	5	Abandoned 25.3.2002
France	3.7.1981	1675795	5	Abandoned 27.6.2001
Australia	17.10.1984	416919	5	17.10.2005
Italy	3.2.1986	397033	5	Abandoned 9.7.2001

Owner: Gacell Laboratories AB.

Goods: Pharmaceutical, veterinary and sanitary substances; material for stopping teeth, dental wax; disinfectants (other than for laying or absorbing dust).

## 2. Multipor

Country	Date of Registration	Registration No./Application No.	Class	Renewal date
Sweden	4.10.1985	198153	5	4.10.2005
Japan	27.3.1989	2125759	1 (1)	27.3.2009
Ireland	26.3.1984	111793	5	26.3.2005
United Kingdom	30.3.1984	1215830	5	30.3.2005
Portugal	20.1.1992	242258	5	Abandoned 20.1.2002
Spain	20.11.1989	1204181	5	20.11.2004
France	21.7.1987	1419646	5	20.7.2007
Italy	17.4.1989	(507871) New reg. 809838	5	16.7.2007

Notes: (1) Japanese Class which is equivalent to international Class 5.  
Ownership of Gacell Laboratories AB now recorded.

Owner: Gacell Laboratories AB.

Priority Information: Pharmaceutical and veterinary preparations and substances.

## 3. Kalipor

Country	Date of Registration	Registration No./Application No.	Class	Renewal date
Switzerland	5.10.1984	332669	5	4.4.2004
Singapore	5.4.1984	1577/84	5	Abandoned 2.2.2001
Hong Kong	20.6.1983	931/84	5	20.6.2004

Owner: Gacell Laboratories AB.

Goods: Pharmaceutical preparations for the prophylaxis or treatment of cardiac and vascular diseases or disorders.

## 4. Gacell

Country	Date of Registration	Registration No./Application No.	Class	Renewal date
Sweden	18.4.1986	200871	5	18.4.2006

Owner: Gacell Laboratories AB.

Goods: Pharmaceuticals.

## 5. Bidocyl

Country	Date of Registration	Registration No./Application No.	Class	Renewal date
Sweden	10.9.1982	183113	5	Abandoned 7.6.2002
Hong Kong	20.6.1983	932-1984	5	20.6.2004
United Kingdom	3.2.1982	1169073	5	Abandoned 6.11.2002
Italy (1)	8.3.1988	489463	5	Abandoned

Notes: (1) In the name of AB Ferrosan – ownership of Gacell Laboratories AB being recorded – assignment pending.  
 Owner: Gacell Laboratories AB.  
 Goods: Pharmaceutical preparations and substances.

**6. Rhotard**

Country	Date of Registration	Registration No./Application No.	Class
United Kingdom	21.11.1985	1254938	5

Owner: Ethical Pharmaceuticals Ltd. Licensed to Waymade//Amdipharm 1.1.2003.

Goods: Pharmaceutical and veterinary preparations and substances.

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**7. Colidex**

Country	Date of Registration	Registration No./Application No.	Class
United Kingdom	30.1.1987	1299442	5

Owner: Ethical Pharmaceuticals Ltd

Goods: Pharmaceutical preparations and substances, all included in Class 5.

**8. SRM-Rhotard**

(1)

Country	Date of Registration	Registration No./Application No.	Class
United Kingdom	19.6.1987	1313560	5

Notes: (1) Exclusive rights to the letters SRM are disclaimed.

Owner: Ethical Pharmaceuticals Ltd

Goods: Pharmaceutical and veterinary preparations and substances, all included in Class 5.

**9. Triglas**

Country	Date of Registration/ Application	Registration No./Application No.	Class
United Kingdom	21.11.97	2131871	5
C.T.M.	24.10.97	000668343	5

Owner: Ethical Pharmaceuticals (UK) Ltd

Goods: Pharmaceutical preparations and substances. Handled by Mewburn Ellis.

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**Part 2****Listed Exclusive IP****The domain name amarindev.se**

2.25 License Agreement between Amarin Corporation plc and ADAB 3<sup>rd</sup> August 2001 (numbered as per the Disclosure Documents)

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**Part 3****Listed IP Agreements**

**IT Licenses (numbered as per the Disclosure Documents)**

- 7.4 Applied BioSystems/LIMS IT contract
- 7.5 Perkin Elmer /TurboChrom server software licence
- 7.6 AEC/Primavera software agreement and licence
- 7.7 Symantec Antivirus software agreement and licence
- 7.8 Watchguard Certificate
- 7.9 Wordfinder IT software licence
- 7.10 Server Leases with Handlesbanken Finans AB

The oral agreement pursuant to which the domain name amarindev.se is licensed.

**Licences –out (numbered as per the Disclosure Documents)**

File	Description
1	<p><b>Commercial Agreements (I)</b></p> <p><b>Development Agreements</b></p> <p>1.1 Amarin Development AB (“ADAB”) and Camurus AB dated 29<sup>th</sup> September 2001.(including Schedule)</p> <p>1.2 ADAB and Microdrug AG dated 9<sup>th</sup> May 2001.</p> <p>1.3 ADAB and Pharmacia AB dated 28<sup>th</sup> August 2001.</p> <p>1.4 ADAB and Hormos Medical Ltd dated 14<sup>th</sup> February 2003; (FC-1271a).</p> <p>1.5 ADAB and Hormos Medical Ltd dated 24<sup>th</sup> August 2001 (HM-101).</p> <p>1.6 ADAB and Hormos Nutraceutical Ltd dated 24<sup>th</sup> August 2001 (HM-3000).</p> <p>1.7 ADAB and Neurosearch A/S dated 11<sup>th</sup> February 2002 (NS 3728).</p> <p>1.8 ADAB and Takeda Chemical Industries, Ltd dated 30<sup>th</sup> May 2003.(including Schedule)</p> <p>1.8a ADAB and ACADIA Pharmaceuticals Inc. 16<sup>th</sup> May 2003</p> <p>1.8 b ADAB and Hexel Pharmaforschung GmbH dated 17<sup>th</sup> February 2003</p> <p><b>Collaboration Agreements</b></p> <p>1.9 ADAB and Nanocarrier Co. Ltd dated 25<sup>th</sup> December 2002.</p> <p>1.10 ADAB and Eiffel Research and Development Pty Limited dated 17<sup>th</sup> April 2002.</p> <p>1.11 ADAB and Cellgate, Inc., dated August 7<sup>th</sup> 2002.</p> <p><b>Analytical Services Agreement</b></p> <p>1.12. ADAB and Clinical Data Care in Lund AB dated 7<sup>th</sup> December 2001.</p> <p>1.13 ADAB and Eli Lilly Sweden AB dated 16<sup>th</sup> September 2001.</p>

- 1.14 ADAB and Kissei Pharmaceutical Co., Ltd dated 24<sup>th</sup> January 2002.
- 1.14a ADAB and Kissei Pharmaceutical Co., Ltd dated 3<sup>rd</sup> January 2003
- Diltiazem-”once a day” Agreements**
- 1.15 Development and License agreement made between ADAB and Tanabe Seiyaku., Ltd (“Tanabe”) dated 19<sup>th</sup> November 1986.
- 1.16 ADAB and Tanabe dated 24<sup>th</sup> October 1998.
- 1.17 Collaboration and License Agreement made between ADAB and Tanabe dated 24<sup>th</sup> January 1991 (“1991 Agreement”) together with amendments.
- 1.18 License Agreement made between ADAB and Tanabe dated 30<sup>th</sup> August 1996.
- 1.19 Agreement for Diltiazem “once a day” formulation dated 24<sup>th</sup> October 1988.
- 1.20 Memorandum on 180mg Diltiazem “once a day” formulation.
- 1.21 Memorandum on assignment of the 1991 Agreement dated 14<sup>th</sup> February 2002.
- 1.21a Supply Agreement between ADAB and Douglas Pharmaceuticals Limited dated 1<sup>st</sup> August 1994
- 1.21b Supply and distribution Agreements dated 28<sup>th</sup> October 1997 & 28<sup>th</sup> March 1998 between ADAB and Triomed(PTY) Ltd
- Diltiazem-”twice a day” Agreements**
- 1.22 Memorandum on Diltiazem “twice a day” for Italy made between ADAB and Tanabe dated 27<sup>th</sup> May 1988.
- 1.23 Agreement dated ADAB and Sigma-Tau Industrie Farmaceutiche S.p.A dated 22<sup>nd</sup> July 1988 together with Amendments.
- 1.24 Manufacture and Supply Agreement made between Laboratorios Dr. Esteve S.A.,(1) ADAB (2),Tanabe Europe S.A (3) and Tanabe (4) dated 12<sup>th</sup> June, 1989.
- 1.25 Memorandum agreement made between ADAB (1), Tanabe (2) for Synthelabo, France dated 31<sup>st</sup> August 1989.
- 1.26 Memorandum on Diltiazem “twice a day” for Greece made between ADAB and Tanabe dated 27<sup>th</sup> May 1988.
- 1.27 Agreement dated 3<sup>rd</sup> April made between ADAB and A/S Ferroskan (Novo Nordisk) together with amendments.
- 1.28 Addendums one-ten and Memoranda to Diltiazem “twice a day” Agreements and Memorandums made between ADAB and Tanabe dated 20<sup>th</sup> June 1990.
- 1.29 Memorandum on Diltiazem “twice a day” for Taiwan dated 28<sup>th</sup> October 1991.
- 1.30 License Agreement dated 4<sup>th</sup> February 1992 made between ADAB and Kabi Pharmaceuticals AB.
- 1.31 Memorandum Agreement dated 27<sup>th</sup> May 1992 for Italy made between ADAB and Tanabe.

2.1 Purchase Agreement dated 2<sup>nd</sup> January 1990 made between Sylatec and ADAB.

2.2 Manufacturing Agreement dated 2<sup>nd</sup> January 1990 between Sylatec and ADAB.

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2.3 Memorandum Agreement dated 2nd June 1995 made between ADAB and Synthelabo.

2.4 License agreement dated 30<sup>th</sup> August 1996 made between ADAB and Tanabe.

2.5 Multipor Coating supply agreement dated 30<sup>th</sup> August 1996 made between Tanabe and ADAB.

2.6 Exclusive agreement to negotiate dated 30<sup>th</sup> May 1996 made between Tanabe and ADAB.

2.7 Supply Agreement dated 1<sup>st</sup> August 1994 made between ADAB and Douglas Pharmaceuticals Limited.

2.7a Contract manufacturing agreement between ADAB and QPharma

2.7b Manufacturing Agreement between Pharmacia and ADAB dated 4<sup>th</sup> February 1992.

#### **Rhotard Morphine Agreements**

##### **Canada**

2.8 License Agreement dated 11<sup>th</sup> October 1991 made between Ethical Pharmaceuticals (U.K.) Limited (formerly Ethical Pharmaceuticals limited) (“EPUK”) and Drug Royalty Corporation Inc. (formerly Ethical Pharmaceuticals North America Inc.) (“DRC”) (“DRC License”) and License Agreement Amending Agreement dated 30<sup>th</sup> April 1996 amending DRC License.

2.9 (Sub) License Agreement dated 4<sup>th</sup> November 1996 made between DRC and Paladin Labs Inc (“Paladin”).

2.10 Manufacturing and distribution Agreement dated 4<sup>th</sup> November 1996 made between Paladin and Pharmascience Inc.

2.11 Supply and Manufacturing Agreement dated 4<sup>th</sup> November 1996 made between Pharmascience and EPUK.

##### **Northern Europe/Eastern Block**

2.12 License agreement dated 1<sup>st</sup> August 1988 made between DAK-Laboratoriet A/S (“Nycomed”) and EPUK together with amendments and supplements.

2.13 License agreement dated 30<sup>th</sup> October 1989 made between Lundbeck A/S (“Nycomed”) and EPUK together with amendments and supplements.

##### **UK**

2.14 License Agreement dated 15<sup>th</sup> May 2002 made between Waymade Healthcare PLC and ADAB.

##### **Australia**

2.15 License Agreement dated 3<sup>rd</sup> August 2003 made between Australian Generics Pty Limited and ADAB.

##### **Argentina**

2.16 Supply and Manufacturing Agreement dated February 26<sup>th</sup> 2003 made between ADAB and Searle Argentina SRL.

##### **South Africa**

2.17 Supply and Distribution Agreement dated 18<sup>th</sup> March 1998 made between EPUK and Research Ethicals (PTY) Limited.

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#### **Glipizide ER**

2.18 Multi Product and Transfer, Development and License Agreement dated 30<sup>th</sup> August 1994 made between Amarin Corporation plc and Watson Pharmaceuticals, Inc. together with letter agreements and Amendments.

##### **General**

2.19 Multipor supply agreement to be made between Amarin and Du Pont Sverige AB and DuPont’s regional affiliate DuPont Chemoswed.

2.20 License Agreement dated November 11<sup>th</sup> 2002 made between ADAB and Athpharma Limited.

2.21 Delivery Contract dated 12<sup>th</sup> March 2003 made between ADAB and Apoteket

2.22 Laboratory services Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB

2.23 Agreement between Custom Pharmaceuticals Limited (1) and ADAB for the manufacture and supply of Rhotard Morphine

2.24 Agreement between ADAB and Amarin Corporation plc dated 5<sup>th</sup> April 2000

2.25 License Agreement between Amarin Corporation plc and ADAB 3<sup>rd</sup> August 2001

2.27 Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB

2.29 Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB relating to Tanabe

**Licences - out**

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## **SCHEDULE 8**

### **INFORMATION TECHNOLOGY**

#### **Part 1**

#### **IT Systems (as set out in the following Disclosure Documents)**

7.4 Applied BioSystems/LIMS IT contract

- 7.5 Perkin Elmer /TurboChrom server software licence
- 7.6 AEC/Primavera software agreement and licence
- 7.7 Symantec Antivirus software agreement and licence
- 7.8 Watchguard Certificate
- 7.9 Wordfinder IT software licence
- 7.10 Server Leases with Handlesbanken Finans AB

## Part 2

### IT Contracts

#### IT Licenses (numbered as per the Disclosure Documents)

- 7.4 Applied BioSystems/LIMS IT contract
- 7.5 Perkin Elmer /TurboChrom server software licence
- 7.6 AEC/Primavera software agreement and licence
- 7.7 Symantec Antivirus software agreement and licence
- 7.8 Watchguard Certificate
- 7.9 Wordfinder IT software licence
- 7.10 Server Leases with Handlesbanken Finans AB

## SCHEDULE 9

### LIMITATION OF SELLER'S LIABILITY

#### Part 1

##### General Limitations

1. Notwithstanding the provisions of clause 8, the Warrantors shall not be liable in respect of a breach of any of the Warranties if and to the extent that the loss occasioned thereby has been recovered under the Indemnities.
2. The Warrantors shall not be liable under the Warranties or the Tax Covenant to the extent that:
  - 2.1 the act, omission, circumstance of occurrence which might result in a Claim or possible Claim were Disclosed;
  - 2.2 the subject of a Claim is allowed or provided for or reserved in the Accounts and/or the Management Accounts or the Completion Balance Sheet or has been included in calculating creditors or deducted in calculating debtors in the Accounts or the Completion Balance Sheet and (in the case of creditors or debtors) is identified in the records of the Company or ADAB or to the extent that such matter was specifically referred to in the notes to the Accounts; or
  - 2.3 a Claim arises or is increased:
    - 2.3.1 wholly or partly from an act or omission compelled by law;
    - 2.3.2 as a result of any increase in rates of Taxation or the imposition of any Tax since the Balance Sheet Date whether or not with retrospective effect; or
    - 2.3.3 wholly or partly as a result of the passing or coming into force of, or any change in, any enactment, law, regulation, directive, requirement or any practice of any government, government department or agency or regulatory body after the date of this Agreement, whether or not having retrospective effect.
3. The Warrantors shall not be liable in respect of any Claim under the Warranties:
  - 3.1 unless and until the amount of the Claim exceeds US\$25,000 and for this purpose where a Claim relates to more than one event, circumstance, act or omission which event, circumstance, act or omission would separately constitute a breach of or give rise to a Claim for breach of any of the Warranties, such claim shall be treated as a separate Claim in respect of each such event, circumstance, act or omission;
  - 3.2 unless and until the amount of the Claim when aggregated with the amount of any other such Claim made against the Warrantors under this Agreement exceeds US\$150,000, but so that the liability of the Warrantors shall not be restricted to the amount by which the liability exceeds US\$150,000; and
  - 3.3 shall not (when aggregated with the amount of all other Claims under the Warranties exceed an amount equal to the aggregate of:

- 3.3.1 \$10,000,000; and

- 3.3.2 all legal and other costs of recovery awarded to the Buyer by a court of competent jurisdiction in connection with any such Claims; and any interest or penalty, or any amount in respect of any interest or penalty, which the Sellers (or any of these) may agree or be ordered to pay to the Buyer.
4. The Buyer shall not be entitled to make a Claim against the Warrantors under the Warranties to the extent that the breach is remediable unless the Warrantors have been given reasonable opportunity at the Warrantors' expense to remedy the breach. The Buyer shall give the Warrantors and its agents all reasonable access and assistance (at the Warrantors' expense) for this purpose.
5. The Warrantors shall not be liable under the Warranties (other than the Tax Warranties):
- 5.1 to the extent that a Claim arises or is increased as a result of any matter or thing done or omitted to be done before or after Completion by the Warrantors at the written request of or with the written approval of the Buyer;
- 5.2 to the extent that a Claim arises or is increased directly as a result of any changes after Completion in the accounting bases, policies or methods used by the Buyer to value any of the assets of the Company (including the Properties) whether or not as a consequence of any change in standard accounting practice;
- 5.3 to the extent that a Claim arises or is increased as a result of a voluntary action taken by or on behalf of the Buyer where the Buyer has actual knowledge that such voluntary action shall give rise to or increase such Claim;
- 5.4 to the extent that a Claim relates to any liability which is contingent only, unless and until such contingent liability becomes an actual liability provided that the Buyer gives notice, if required, of such contingent liability in accordance with the first sentence of paragraph 13 of this Schedule 9.
6. The Buyer shall not be entitled to recover damages or obtain reimbursement, restitution or indemnity more than once in respect of any one matter or circumstance constituting a breach of the Warranties.
7. If a Claim is made or proceedings are brought against the Buyer in respect of which the Warrantors is or may become liable under the Warranties (other than the Tax Warranties) or any other provision of this Agreement, the Buyer shall (at the Warrantors' cost and expense and subject to the Buyer being indemnified to its reasonable satisfaction in respect thereof) take such action and give such information and assistance in connection with its affairs as the Warrantors may reasonably request to avoid, dispute, resist, mitigate, compromise, defend or appeal against such claim or proceedings and any adjudication with respect thereto including, if the Warrantors so require, instructing professional advisers nominated by the Warrantors (subject to the approval of the Buyer, not to be unreasonably withheld or delayed) to act on behalf of the Buyer in accordance with the instructions of the Warrantors so that the action is delegated entirely to the Warrantors, provided that any settlement shall only require

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the payment of money on the Buyer's behalf and does not impose any other obligation or restrictions on the Buyer. The Buyer shall not (except with the written consent of the Warrantors (which consent shall not be unreasonably withheld or delayed)) accept, pay, compromise or make any admission in respect of any such claim or proceedings.

8. Where the Buyer is entitled to a right of reimbursement (including by way of indemnity) or to recover (whether by way of payment, discount, credit, set off, counterclaim or otherwise) from some other person any sum in respect of any matter giving rise to a Claim under the Warranties (other than the Tax Warranties) or under any other provision of this agreement the Buyer shall undertake all reasonable steps to enforce such recovery prior to taking action against the Warrantors (other than to notify the Warrantors of the claim against the Warrantors) and if the Buyer shall recover any amount from such other person the amount of the Claim against the Warrantors shall be reduced by the amount recovered, less all reasonable costs, charges and expenses incurred by the Buyer recovering that sum from such other person.
9. If the Warrantors pays to the Buyer an amount in respect of a Claim for breach of a Warranty (other than a Tax Warranty) or any other provision of this Agreement and the Buyer subsequently becomes entitled to a right of reimbursement (including by way of indemnity) or to recover (whether by way of payment, discount, credit, set off, counterclaim or otherwise) from such other person any sum in respect of any matter giving rise to such claim, the Buyer shall take all reasonable steps to enforce such recovery or at its sole discretion, assign the right of reimbursement to the Warrantors (in each case at the Warrantors' cost and expense and subject to the Buyer being indemnified to its reasonable satisfaction in respect thereof) and shall forthwith upon recovery repay to the Warrantors so much of the amount paid to the Buyer as does not exceed the amount recovered from such person less all reasonable costs, charges and expenses incurred by the Buyer in recovering that sum from such other person.
10. If any amount is repaid to the Warrantors by the Buyer pursuant to paragraph 9, an amount equal to the amount so repaid shall be treated as if it shall never have been paid by the Warrantors to the Buyer for the purposes of paragraphs 3.1 and 3.2.
11. Any payment made by the Warrantors in satisfaction of a claim for breach of the Warranties shall be treated as a reduction of the consideration.

Nothing in paragraphs 7, 8 or 9 shall require the Buyer or any member of the Watson Group to take or refrain from taking any action which it reasonably considers would adversely affect the goodwill or bona fide commercial interests of the Watson Group and provided further that the failure by the Buyer or any member of the Watson Group to comply with paragraphs 7, 8, or 9 shall only release the Seller from liability under this Agreement to the extent that such liability is increased as a result of the Buyer's failure to comply as aforesaid.

Every limitation of liability and restriction contained in this Schedule 9 upon the bringing of claims under the Warranties shall apply cumulatively with, and not to the exclusion of, every other such limitation or restriction.

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12. The Buyer represents, warrants and undertakes to the Warrantors that neither the execution of this agreement by the Buyer nor the consummation of the transaction as contemplated by this agreement will result in the breach of any term, limitation or provision of the memorandum and articles of association of the Buyer or result in a breach of any instrument by which the Buyer is bound, or violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer.
13. The liability of the Warrantors in respect of any claim under the Warranties (other than the Tax Warranties) shall cease on the date which is 30 months after the date of Completion, except in respect of matters which have been the subject of a bona fide written claim which is made before that date by or on behalf of the Buyer to the Warrantors giving reasonable details of all material aspects of the claim including the Buyer's bona fide estimate of the amount of the claim. Any such claim (if it has not previously been satisfied, settled or withdrawn) shall be deemed to have been withdrawn unless legal proceedings in respect of it have been commenced by both being issued and served within 12 months of such notification to the Seller.
14. No limitation placed upon the liability of the Warrantors by paragraphs this Schedule 9 (whether as to amount, time or otherwise) shall apply in relation to any claim by the Buyer where the delay in discovery of the subject matter of the claim or that it is claimable under the Warranties which is the consequence of any fraud or wilful misconduct or wilful concealment of the Warrantors.

## Part 2

### Limitations under the Tax Warranties and the Tax Covenant

1. The Buyer shall not be entitled to make any claim against the Warrantors under any of the Tax Warranties or the Tax Covenant (referred to in this Schedule in both cases as a "Tax Claim") unless the Buyer has given written notice of the claim to the Warrantors specifying in reasonable detail the basis of the claim and a reasonable estimate of the amount claimed and not later than the seventh anniversary of completion and any claim shall be treated as having been withdrawn (if not previously satisfied, settled or withdrawn) if proceedings are not issued and served within 6 months after the date that notice of the claim is given.

The Warrantors shall have no liability under the Tax Warranties or the Tax Covenant

- 2.
- (a) if and to the extent that recovery has been made by the Buyer under any other provision of the Agreement in respect of the same matter; or
  - (b) to the extent that the Tax Claim is in respect of an amount actually received for services or assets in respect of an Event after the Balance Sheet Date which is the same as or greater than the amount deemed to have been received for the purposes of Taxation;
  - (c) if and to the extent that the Tax Claim would not have arisen but for an Event after Completion by the Buyer or any Group Company of the Buyer or by any of their respective employees agents or successors in title and which the Buyer or such other persons knew (or ought reasonably to have known) would give rise to such Tax Claim;
  - (d) to the extent that the amount otherwise payable by the Warrantors arises or is increased by reason of the Buyer breaching this Agreement or any Schedule to it;
  - (e) to the extent that the matter giving rise to the Tax Claim would not have arisen but for:
    - (i) a claim, election, surrender or disclaimer made, or notice or consent given after Completion by the Company (other than one the making, giving or doing of which was taken into account in computing a provision for Tax in the Accounts or the Completion Balance Sheet) under, or in connection with, a provision of any Tax Statute; or
    - (ii) the Company's failure or omission to make a claim, election, surrender or disclaimer, or give notice or consent under, or in connection with, a provision of any Tax Statute after Completion, the anticipated making or giving of which was taken into account in computing the provision for Tax in the Accounts or the Completion Balance Sheet and notified to the Buyer;

- (f) to the extent that the Tax Claim arises as a result of any matter or thing done after the date of this Deed or omitted to be done after the date of this Deed in each case at the written request or with the prior written approval of the Buyer;
- (g) to the extent that the Tax Claim is a liability which would not have arisen but for the receipt or accrual of income, profits or gains after Completion which income, profits or gains were not recognised or taken into account in the Accounts or the Completion Balance Sheet in accordance with generally accepted accounting principles;
- (h) to the extent that the Taxation the subject of the Tax Claim, was discharged or satisfied whether by payment or by utilisation of any relief on or before Completion;
- (i) to the extent that the Tax Claim arises or results from or as a consequence of a change in the date to which the Company makes up its accounts;
- (j) to the extent that a relief arising on or before Completion is available to set against the liability other than a relief taken into account in the Accounts or the Completion Balance Sheet.

3. The Buyer shall at the Warrantors' request procure that the Company makes all elections and claims for reliefs, save for reliefs arising in respect of events after the date of this Agreement, to reduce or eliminate liability for a Tax Claim under this Agreement.

#### 4. CONDUCT OF TAX CLAIMS

If the Warrantors shall indemnify the Buyer to the reasonable satisfaction of the Buyer against all liabilities, costs, damages or expenses which may be incurred, including without limitation any additional Claim for Taxation, the Buyer shall and shall procure that the Company shall take such action as the Warrantors may reasonably request in writing to avoid, dispute, defend, resist, appeal or compromise any Tax Claim (such a Tax Claim where action is so requested being referred to in this Clause as a "Dispute") including but not limited to applying to postpone (so far as legally possible) the payment of any Taxation and/or allowing the Warrantors to undertake at their own expense the conduct of all or any proceedings of whatsoever nature arising in connection with the Tax Claim in question PROVIDED THAT:

- (a) Neither the Buyer nor the Company shall be subject to any liability to the Warrantors on the grounds that the Buyer or the Company (as the case may be) has not complied with any of the provisions of this Clause if the Buyer or the Company has bona fide acted in accordance with the instructions of the Warrantors or their duly authorised agent.
- (b) The Buyer shall promptly provide or procure to be provided to the Warrantors copies of all information, documents and evidence in its possession or in the possession of the Company or any of their agents in respect of any accounting period of the Company which may reasonably be required by the Warrantors for the purpose of conducting a Dispute.

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- (c) The Buyer shall not be obliged to procure that the Company compromises or settles any Claim or Dispute if the Buyer takes the view that such compromise or settlement could have material adverse effects for the Company in which event the Warrantors shall if they desire be discharged from all liability under this Agreement and Schedules in respect of such Claim or Dispute upon paying to the Buyer the amount which the relevant Taxation Authority has indicated it is prepared to accept in settlement or compromise.

#### 5. REPAYMENTS OF TAX SAVINGS

5.1 If the Buyer or the Company at any time becomes aware (including for the avoidance of doubt in the course of preparing accounts, returns and Tax computations in accordance with this Deed) that a Claim which has resulted in a payment by the Warrantors to the Buyer under this Deed has given rise to a tax relief resulting in a liability to Taxation of the Company or the Buyer being reduced (such reduction being a "Tax Saving") the Buyer shall give written details to the Warrantors as soon as reasonably practicable and the Warrantors may upon receiving such notice request the auditors of the Company to certify (at the expense of the Warrantors) the amount of such Tax Saving (the "Relevant Amount") which shall be dealt with in accordance with Clause 5.2.

5.2 Where pursuant to Clause 5.1 the Relevant Amount is to be dealt with in accordance with this sub-clause:

- (a) the Relevant Amount shall first be set off against any payment then due from the Warrantors in respect of a claim under the Tax Covenant or under the Tax Warranties; and
- (b) to the extent that there is an excess, a refund shall be made to the Warrantors of any previous payment or payments made by the Warrantors under this Agreement in respect of a claim under the Tax Covenant or under the Tax Warranties and not previously refunded under this sub-clause, up to the amount of such excess; and
- (c) to the extent that there remains any excess, such excess shall be carried forward and set against future payments due from the Warrantors in respect of a claim under the Tax Covenant or under the Tax Warranties.

5.3 If any dispute arises under this Clause 5 as to whether there is or has been any Tax Saving such dispute shall be referred for determination to a firm of chartered accountants agreed between the Warrantors and the Buyer and failing such agreement a firm of independent accountants shall be nominated by the President for the time being of the Institute of Chartered Accountants of Sweden (the "Expert") who in making such determination shall act as expert and not arbitrator and whose decision shall be final and binding on the parties. The Expert may make such enquiries as he shall think fit in order to make such determination and shall also determine how the costs of obtaining his opinion should be paid and borne by the parties, taking into account the reasonableness of their respective arguments.

5.4 The Buyer undertakes to supply and undertakes to procure that the Company shall supply to the Warrantors and subsequently to any firm of accountants nominated to

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deal with any such dispute in accordance with Clause 5.3 (with copies to the Warrantors) all documents, accounts, notices, papers and other necessary information as may be reasonably required for the purposes of making such determination as to whether there is or has been any Tax Saving for the purposes of this Clause 5 and the costs of such supply shall be borne by the parties in the same proportion as the costs of the Expert are borne in accordance with Clause 5.3 but, if such Expert is not nominated, by the parties equally.

#### 6. RECOVERY FROM THIRD PERSONS

6.1 If, in the event of any payment being made or becoming payable by the Warrantors in respect of a claim under the Tax Covenant or under the Tax Warranties, the Buyer or the Company either is immediately entitled at the due date for the making of that payment to recover (including without limitation by way of set-off) from any person (not being the Company or a Group Company of the Buyer but including any Tax Authority) any sum in respect of the Tax Claim or other liability that has resulted in that payment becoming due from the Warrantors, or at some subsequent date becomes entitled to make such a recovery (including without limitation by way of set-off) then the Buyer shall as soon as practicable following it

becoming aware of its entitlement notify the Warrantors and shall procure that the Company shall, if so required by the Warrantors and at the Warrantors' sole expense, take such reasonable steps to enforce that recovery as the Warrantors may reasonably require, keeping the Warrantors fully informed of the progress of any action taken, and if the Warrantors have made a payment under the Tax Covenant or under the Tax Warranties in respect of the Tax Claim or other liability in question the Buyer shall repay to the Warrantors whichever is the lesser of:

- (a) the amount so recovered by the Buyer or the Company in respect of that Tax Claim or other liability less any Taxation chargeable on the amount of such recovery and less any costs and expenses not previously recovered from the Warrantors; and
- (b) the amount paid by the Warrantors under the Tax Covenant or under the Tax Warranties in respect of that Tax Claim or other liability in question

PROVIDED that any amount so recovered which is not repaid to the Warrantors under this Clause shall be set against the liability of the Warrantors in respect of any future claims under this Agreement.

## 7. TAX RETURNS

- 7.1 Unless the parties otherwise agree in writing, the Warrantors or its duly authorised agents shall at the cost and expense of the Company be entitled to prepare the Tax returns and computations of the Company for all accounting periods, VAT prescribed accounting periods or other relevant periods ending on or before the date of Completion.
- 7.2 The Buyer shall procure that the Company shall cause the returns and computations (and all related claims, elections and notifications) referred to in Clause 7.1 above to be authorised, signed and submitted to the appropriate Taxation Authority within the prescribed time limits without amendment.

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- 7.3 The Warrantors or their duly authorised agents shall be entitled to prepare all documentation and shall have conduct of all matters (including correspondence) relating to the agreement of the Tax returns and computations of the Company for all accounting periods, VAT prescribed accounting periods or other relevant periods ending on or prior to the date of Completion with the appropriate Tax Authority.
- 7.4 The Buyer or its duly authorised agents shall be entitled to prepare the Tax returns and computations of the Company for the accounting period, VAT prescribed accounting period or other relevant period in which Completion occurs and shall submit draft copies of such Tax returns and computations to the Warrantors for their comments not less than 20 (10 in respect of VAT returns) Business Days prior to the date on which such returns and computations must be submitted to the relevant authority and the Buyer agrees to incorporate all reasonable comments of the Warrantors received within 15 (10 in respect of VAT returns) Business Days after draft copies have been sent to it to the extent that they relate to Events occurring on or before Completion. The Buyer shall have the conduct of agreeing with the Tax Authority such Tax returns after submission thereof but where the matter to be agreed may affect the Warrantors' liability under this Agreement the Buyer shall inform the Warrantors thereof prior to agreeing the same and shall take proper notice of all reasonable representations which the Warrantors may make.
- 7.5 The Buyer shall provide or procure to be provided to the Warrantors such access to books, accounts and records (during normal business hours upon prior written notice) and copies of all information, documents and evidence in its possession or in the possession of its agents or the Company in respect of any accounting period or prescribed accounting period of the Company which may reasonably be requested by the Warrantors for the purposes of this paragraph.

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## SCHEDULE 10

### LIST OF DISCLOSURE DOCUMENTS

File	Description
1	<b>Commercial Agreements (I)</b>
	<b>Development Agreements</b>
	1.1 Amarin Development AB ("ADAB") and Camurus AB dated 29 <sup>th</sup> September 2001.(including Schedule)
	1.2 ADAB and Microdrug AG dated 9 <sup>th</sup> May 2001.
	1.3 ADAB and Pharmacia AB dated 28 <sup>th</sup> August 2001.
	1.4 ADAB and Hormos Medical Ltd dated 14 <sup>th</sup> February 2003; (FC-1271a).
	1.5 ADAB and Hormos Medical Ltd dated 24 <sup>th</sup> August 2001 (HM-101).
	1.6 ADAB and Hormos Nutraceutical Ltd dated 24 <sup>th</sup> August 2001 (HM-3000).
	1.7 ADAB and Neurosearch A/S dated 11 <sup>th</sup> February 2002 (NS 3728).
	1.8 ADAB and Takeda Chemical Industries, Ltd dated 30 <sup>th</sup> May 2003.(including Schedule)
	1.8a ADAB and ACADIA Pharmaceuticals Inc. 16 <sup>th</sup> May 2003(including side letter dated 8 <sup>th</sup> August 2003)
	1.8 b ADAB and Hexel Pharmaforschung GmbH dated 17 <sup>th</sup> February 2003
	<b>Collaboration Agreements</b>
	1.9 ADAB and Nanocarrier Co. Ltd dated 25 <sup>th</sup> December 2002.
	1.10 ADAB and Eiffel Research and Development Pty Limited dated 17 <sup>th</sup> April 2002.
	1.11 ADAB and Cellgate, Inc., dated August 7 <sup>th</sup> 2002.
	<b>Analytical Services Agreement</b>
	1.12. ADAB and Clinical Data Care in Lund AB dated 7 <sup>th</sup> December 2001.
	1.13 ADAB and Eli Lilly Sweden AB dated 16 <sup>th</sup> September 2001.
	1.14 ADAB and Kissei Pharmaceutical Co., Ltd dated 24 <sup>th</sup> January 2002.

1.14a ADAB and Kissei Pharmaceutical Co., Ltd dated 3<sup>rd</sup> January 2003

**Diltiazem-“once a day” Agreements**

1.15 Development and License agreement made between ADAB and Tanabe Seiyaku., Ltd (“Tanabe”) dated 19<sup>th</sup> November 1986.

1.16 ADAB and Tanabe dated 24<sup>th</sup> October 1998.

1.17 Collaboration and License Agreement made between ADAB and Tanabe dated 24<sup>th</sup> January 1991 (“1991 Agreement”) together with amendments.

1.18 License Agreement made between ADAB and Tanabe dated 30<sup>th</sup> August 1996.

1.19 Agreement for Diltiazem “once a day” formulation dated 24<sup>th</sup> October 1988.

1.20 Memorandum on 180mg Diltiazem “once a day” formulation.

1.21 Memorandum on assignment of the 1991 Agreement dated 14<sup>th</sup> February 2002.

1.21a Supply Agreement between ADAB and Douglas Pharmaceuticals Limited dated 1<sup>st</sup> August 1994

1.21b Supply and distribution Agreements dated 28<sup>th</sup> October 1997 & 28<sup>th</sup> March 1998 between ADAB and Triomed(PTY) Ltd

**Diltiazem-“twice a day” Agreements**

1.22 Memorandum on Diltiazem “twice a day” for Italy made between ADAB and Tanabe dated 27<sup>th</sup> May 1988.

1.23 Agreement dated ADAB and Sigma-Tau Industrie Farmaceutiche S.p.A dated 22<sup>nd</sup> July 1988 together with Amendments.

1.24 Manufacture and Supply Agreement made between Laboratorios Dr. Esteve

S.A.,(1) ADAB (2),Tanabe Europe S.A (3) and Tanabe (4) dated 12<sup>th</sup> June, 1989.

1.25 Memorandum agreement made between ADAB (1), Tanabe (2) for Synthelabo, France dated 31<sup>st</sup> August 1989.

1.26 Memorandum on Diltiazem “twice a day” for Greece made between ADAB and Tanabe dated 27<sup>th</sup> May 1988.

1.27 Agreement dated 3<sup>rd</sup> April made between ADAB and A/S Ferroskan (Novo Nordisk) together with amendments.

1.28 Addendums one-ten and Memoranda to Diltiazem “twice a day” Agreements and Memorandums made between ADAB and Tanabe dated 20<sup>th</sup> June 1990.

1.29 Memorandum on Diltiazem “twice a day” for Taiwan dated 28<sup>th</sup> October 1991.

1.30 License Agreement dated 4<sup>th</sup> February 1992 made between ADAB and Kabi Pharmaceuticals AB.

1.31 Memorandum Agreement dated 27<sup>th</sup> May 1992 for Italy made between ADAB and Tanabe.

**2 Commercial Agreements (II)**

2.1 Purchase Agreement dated 2<sup>nd</sup> January 1990 made between Sylatec and ADAB.

2.2 Manufacturing Agreement dated 2<sup>nd</sup> January 1990 between Sylatec and ADAB.

2.3 Memorandum Agreement dated 2nd June 1995 made between ADAB and Synthelabo.

2.4 License agreement dated 30<sup>th</sup> August 1996 made between ADAB and Tanabe.

2.5 Multipor Coating supply agreement dated 30th August 1996 made between Tanabe and ADAB.

2.6 Exclusive agreement to negotiate dated 30<sup>th</sup> May 1996 made between Tanabe and ADAB.

2.7 Supply Agreement dated 1<sup>st</sup> August 1994 made between ADAB and Douglas Pharmaceuticals Limited.

2.7a Contract manufacturing agreement between ADAB and QPharma

2.7b Manufacturing Agreement between Pharmacia and ADAB dated 4<sup>th</sup> February 1992.

**Rhotard Morphine Agreements**

**Canada**

2.8 License Agreement dated 11<sup>th</sup> October 1991 made between Ethical Pharmaceuticals (U.K.) Limited (formerly Ethical Pharmaceuticals limited) (“EPUK”) and Drug Royalty Corporation Inc. (formerly Ethical Pharmaceuticals North America Inc.) (“DRC”) (“DRC License”) and License Agreement Amending Agreement dated 30<sup>th</sup> April 1996 amending DRC License.

2.9 (Sub) License Agreement dated 4<sup>th</sup> November 1996 made between DRC and Paladin Labs Inc (“Paladin”).

2.10 Manufacturing and distribution Agreement dated 4<sup>th</sup> November 1996 made between Paladin and Pharmascience Inc.

2.11 Supply and Manufacturing Agreement dated 4<sup>th</sup> November 1996 made between Pharmascience and EPUK. (together with side letter agreement dated October 14<sup>th</sup> 2003)

**Northern Europe/Eastern Block**

2.12 License agreement dated 1<sup>st</sup> August 1988 made between DAK-Laboratoriet A/S (“Nycomed”) and EPUK together with amendments and supplements.

2.13 License agreement dated 30<sup>th</sup> October 1989 made between Lundbeck A/S (“Nycomed”) and EPUK together with amendments and supplements.

**UK**

2.14 License Agreement dated 15<sup>th</sup> May 2002 made between Waymade Healthcare PLC and ADAB.(together with Trade Mark License dated 1<sup>st</sup> January 2003 made between EPUK and Amdipharma AG)

**Australia**

2.15 License Agreement dated 3<sup>rd</sup> August 2003 made between Australian Generics Pty Limited and ADAB.

**Argentina**

2.16 Supply and Manufacturing Agreement dated February 26<sup>th</sup> 2003 made between ADAB and Searle Argentina SRL.

**South Africa**

2.17 Supply and Distribution Agreement dated 18<sup>th</sup> March 1998 made between EPUK and Research Ethicals (PTY) Limited.

2.17a License Agreement dated 22<sup>nd</sup> December 1992 made between Ethical Pharmaceuticals Limited and Prodesfarma SA (Rhotard Morphine Spain and Portugal);

2.17b Supply and License Agreement dated 8<sup>th</sup> February 1993 made between Ethical Pharmaceuticals Limited and Delta West PTY Limited (Rhotard Morphine and New Zealand);

#### **Glipizide ER**

2.18 Multi Product and Transfer, Development and License Agreement dated 30<sup>th</sup> August 1994 made between Amarin Corporation plc and Watson Pharmaceuticals, Inc. together with letter agreements and Amendments.

#### **General**

2.19 Multipor supply agreement to be made between Amarin and Du Pont Sverige AB and DuPont's regional affiliate DuPont Chemoswed

2.20 License Agreement (and Amendment) dated May 31<sup>st</sup> 2002 made between ADAB and Athpharma Limited.

2.21 Delivery Contract dated 12<sup>th</sup> March 2003 made between ADAB and Apoteket

2.22 Laboratory services Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB

2.23 Agreement between Custom Pharmaceuticals Limited (1) and ADAB for the manufacture and supply of Rhotard Morphine

2.24 Agreement between ADAB and Amarin Corporation plc dated 5<sup>th</sup> April 2000

2.25 License Agreement between Amarin Corporation plc and ADAB 3<sup>rd</sup> August 2001

2.26 Agreement between Ethical Holdings Limited and Leslie John Pryce dated 4<sup>th</sup> December 1992

2.27 Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB

2.28 Assignment of patents dated 27<sup>th</sup> July 2001 made between EPUK and Amarin Corporation plc

2.29 Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB relating to Tanabe

### **3 Corporate Legal Matters**

3.1 Certificate of Incorporation for Gacell Holdings Aktiebolag (S)

Certificate of Incorporation for Amarin Development Aktiebolag (S)

3.2 Articles of Association for Amarin Development AB (S)

3.3 Minutes of Amarin Development AB Board (1999-2003)

3.4 Rules of Procedure for the Amarin Development AB Board

3.5 Minutes of Amarin Development AB AGM (1999-2003) (S)

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3.6 Minutes of Gacell Holdings Board (1999-2003)

3.7 Minutes of Gacell Holdings AGM (1999-2003)

3.8 Articles of Association for Gacell Holdings AB

### **4 Financial**

#### **Statutory Accounts**

4.1 Amarin Development AB Statutory Accounts (1998-2002) (S)

PWC Audit Reports (1999-2002)

#### **Financial Reports**

4.2 2003 Amarin Development AB Management Accounts

4.3 2002 Amarin Development AB Consolidation Pack

4.4 2002 Amarin Development AB Management Accounts

4.5 2001 Amarin Development AB Consolidation Pack

4.6 2001 Amarin Development AB Management Accounts

#### **Budgets and Forecast**

4.7 Amarin Development AB Budget Pack 2003

4.8 Amarin Development AB Budget Pack 2002

4.9 Amarin Development AB Budget Pack 2001

4.10 2003 Amarin Development AB Forecast (incorporating actuals to July)

#### **Auditors Report**

4.11 Completion Memorandum for the audit of the years ending 31 December 1999,2000,2001,2002.

4.12 Gacell Holdings AB Annual Reports for,2000,2001,2002

### **5 Balance Sheet Items and Other**

5.1 Fixed Asset Register(S)

5.2 Schedule of Leased Assets

5.3 ADAB Balance Sheet as at 30 September 2003 and supporting Schedules

5.4 Svenska Banking Facility Agreements

5.5 Finance Lease Agreements

5.6 ADAB Manufacturing Revenue — Gross Margin Reports by Month 2002 and 2003

5.7 Bank Account details

5.8 Domain Name application

5.9 Bank Statements September, October 2003 and cash Book October and September 2003

5.10 Letter from Handelsbanken Finans to Setterwalls dated 16<sup>th</sup> October 2003 related to Finance Leases

5.11 Letter from Handelsbanken Finans to Setterwalls dated 16<sup>th</sup> October 2003 related to Overdraft

### **6 Taxation and Insurance**

6.1 Amarin Development AB Corporation Tax Submissions (1999-2003)(S)

6.2 Amarin Development AB Corporate Taxation Statements (1998-2003)(S)

6.3 Key Insurance Policies (S)

6.4 Gacell Holdings AB Corporation Tax Submissions 2001,2002,2003

- 6.8 Trade debtor 2003/04
- 6.9 Trade debtor 2002/04
- 6.10 Trade debtor 2001/04
- 6.11 Trade debtor 2000/04
- 6.12 Trade debtor 1999/04
- 6.13 Trade Creditor 2003/04
- 6.14 Trade Creditor 2002/04
- 6.15 Trade Creditor 2001/04
- 6.16 Trade Creditor 2000/04
- 6.17 Trade Creditor 1999/04
- 6.18 Income Tax/Month
- 6.19 Tax Debt 2002
- 6.20 Intercompany Transactions

**7 Business, Environmental Matters, Patents and Trademarks**

- 7.1 Lundvagen 151, Malmo leases (S)(including Landlords comfort letter)
- 7.2 Pharmaceutical Licenses, Permits, Environmental Reports
- 7.3 Schedule of Amarin "Drug Delivery" patents and trademarks & Patent Attorneys details
- 7.4 Applied BioSystems/LIMS IT contract
- 7.5 Perkin Elmer /TurboChrom server software licence
- 7.6 AEC/Primavera software agreement and licence
- 7.7 Symantec Antivirus software agreement and licence
- 7.8 Watchguard Certificate
- 7.9 Wordfinder IT software licence
- 7.10 Server Leases with Handlesbanken Finans AB
- 7.11 Elan Corporation deed of release dated 14<sup>th</sup> October 2003
- 7.12 Elan Corporation indemnity dated 17<sup>th</sup> October 2003 (together with side letter dated 21 October 2003)

**8 Employees and Compensation**

- 8.1 Schedule of employees, job title, commencement date, age, sex, monthly salary (SEK) and emoluments.
- 8.2 Contracts of employment (S).
- 8.3 Union/Collective Agreements.
- 8.4 Consultancy Agreements.
- 8.5 Contract of Employment for Steffan Ohlsson (including pension side letter) and Ken Downie
- 8.6 Swedish stock options
- 8.7 Salary increase 1<sup>st</sup> April 2003
- 8.8 Staff handbook
- 8.9 The Ethical Holdings 1999 Discretionary Share Option Scheme
- 8.10 Amarin Corporation Plc 2002 Stock Option Plan
- 8.11 Overview of Amarin Development Organisational Structure (summaries of Senior Management)

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**SCHEDULE 11**

**NOVATION/ASSIGNMENT CONTRACTS**

- 1. License Agreement dated 11<sup>th</sup> October 1991 made between Ethical Pharmaceuticals (U.K.) Limited (formerly Ethical Pharmaceuticals limited) ("EPUK") and Drug Royalty Corporation Inc. (formerly Ethical Pharmaceuticals North America Inc.) ("DRC") ("DRC License") and License Agreement Amending Agreement dated 30<sup>th</sup> April 1996 amending DRC License.
- 2. (Sub) License Agreement dated 4<sup>th</sup> November 1996 made between DRC and Paladin Labs Inc ("Paladin").
- 3. Manufacturing and distribution Agreement dated 4<sup>th</sup> November 1996 made between Paladin and Pharmascience Inc.
- 4. Supply and Manufacturing Agreement dated 4<sup>th</sup> November 1996 made between Pharmascience and EPUK.
- 5. License agreement dated 1<sup>st</sup> August 1988 made between DAK-Laboratoriet A/S and EPUK together with amendments and supplements.
- 6. License agreement dated 30<sup>th</sup> October 1989 made between Lundbeck A/S and EPUK together with amendments and supplements.
- 7. Supply and Distribution Agreement dated 18<sup>th</sup> March 1998 made between EPUK and Research Ethicals (PTY) Limited.
- 8. Agreement between Ethical Pharmaceuticals Limited and Prodesfarma
- 9. Agreement between Ethical Pharmaceuticals Limited and Delta West
- 10. Consultancy agreement between Amarin Corporation plc and Tipharmas & Co (Ted Takada/Japan) dated 22<sup>nd</sup> March 2002

**CONTRACTS FOR TERMINATION**

- 1. Multi Product and Transfer, Development and License Agreement dated 30<sup>th</sup> August 1994 made between Amarin Corporation plc and Watson Pharmaceuticals, Inc. together with letter agreements and Amendments.

2. Laboratory services Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB
3. Agreement between ADAB and Amarin Corporation plc dated 5<sup>th</sup> April 2000
4. Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB relating to Tanabe
5. Agreement dated 12<sup>th</sup> November 1998 made between Amarin Corporation plc (formerly Ethical Holdings plc) and ADAB
6. Assignment of patents dated 27<sup>th</sup> July 2001 made between EPUK and Amarin Corporation plc

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7. License Agreement between Amarin Corporation plc and ADAB 3<sup>rd</sup> August 2001

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### SIGNATORIES

Signed by

and

for AMARIN PHARMACEUTICALS  
COMPANY LIMITED

\_\_\_\_\_  
(Director)

\_\_\_\_\_  
(Director/Secretary)

Signed by

and

for AMARIN CORPORATION PLC

\_\_\_\_\_  
(Director)

\_\_\_\_\_  
(Director/Secretary)

Signed by

for LANGRUMMET DECEMBER NR 911  
AB (under name change to WP HOLDINGS, AB)

\_\_\_\_\_

Signed by

for WATSON PHARMACEUTICALS INC.

\_\_\_\_\_

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CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE SECURITIES AND EXCHANGE COMMISSION. SUCH PORTIONS HAVE BEEN REDACTED AND BRACKETED IN THE REQUEST AND APPEAR AS [ \* ] IN THE TEXT OF THIS EXHIBIT. THE OMITTED CONFIDENTIAL INFORMATION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**VALEANT PHARMACEUTICALS INTERNATIONAL,**

**AS BUYER**

**AND**

**AMARIN CORPORATION PLC**

**AND**

**AMARIN PHARMACEUTICALS COMPANY LIMITED,**

**AS SELLERS**

**DATED FEBRUARY , 2004**

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## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (as amended from time to time, this “**Agreement**”) is made and entered into this        day of February, 2004, by and between Valeant Pharmaceuticals International, a Delaware corporation (“**Buyer**”), and Amarin Corporation plc, a public limited company incorporated in England and Wales (“**Amarin**”) and Amarin Pharmaceuticals Company Limited, a limited company incorporated in England and Wales (“**APCL**”) (Amarin and APCL being hereinafter from time to time referred to collectively as the “**Sellers**”).

### **WITNESSETH:**

**WHEREAS**, Amarin is a London-based specialty pharmaceutical company that is focused on the development and marketing of pharmaceuticals used in the treatment of neurological diseases and disorders;

**WHEREAS**, Amarin operates in the United States primarily through its second-tier subsidiary, Amarin Pharmaceuticals, Inc., a Delaware corporation (“**API**”);

**WHEREAS**, APCL is a wholly owned subsidiary of Amarin and is the registered holder of 100% of the issued and outstanding capital stock of API;

**WHEREAS**, Buyer is a California-based global pharmaceutical company that develops, manufactures and distributes a broad range of prescription and non-prescription pharmaceuticals;

**WHEREAS**, Buyer desires to purchase (i) from Amarin, the Amarin Products and Rights (as hereinafter defined) and (ii) from APCL, 100% of the issued and outstanding capital stock of API, for the consideration and on the terms set forth in this Agreement; and

**WHEREAS**, Amarin and APCL desire to sell to Buyer the Amarin Product Rights and 100% of the issued and outstanding capital stock of API, respectively, for the consideration and on the terms set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## **ARTICLE 1 DEFINITIONS AND USAGE**

### **1.1 DEFINITIONS**

For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Section 1.1:

“**ANDA**” — an abbreviated new drug application as filed with the FDA under the Act.

“**APCL**”— as defined in the first paragraph of this Agreement.

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“**API**” — as defined in the third paragraph of this Agreement.

“**API Adjustment Amount**” — as defined in Section 2.7.

“**API Facility**” — collectively, API’s Mill Valley Facility, API’s New Jersey Facility, and any other facility owned or occupied by API.

“**API Shares**” — the shares representing 100% of the issued and outstanding capital stock of API.

“**API’s Intellectual Property Assets**” — as defined in Section 4.22(a).

“**API’s Interim Balance Sheet**” — as defined in Section 4.4.

“**API’s Inventory**” — all finished goods inventory of Permax® and the PCP Products owned or controlled by API.

“**API’s Mill Valley Facility**” — API’s principal office located at Two Belvedere Place, Suite 330, Mill Valley, California 94941.

“**API’s New Jersey Facility**” — API’s office located at 25 Independence Blvd., Suite 100, Warren, New Jersey 07059.

“**Accounts Receivable**” — (a) all trade accounts receivable and other rights to payment from customers and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or services rendered to customers, (b) all other accounts or notes receivable and the full benefit of all security for such accounts or notes and (c) any claim, remedy or other right related to any of the foregoing.

“**Acquired Assets**” — collectively, the PCP Product Assets, Amarin Product Rights and API Shares.

“**Act**” — U.S. Federal Food, Drug and Cosmetic Act, as amended.

“**Affiliate**” — means, with respect to any Person, another Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. “Control” and, with correlative meanings, the terms “controlled by” and “under common control with” means the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise; provided that for purposes of this Agreement, neither Elan Corporation plc nor any of its Affiliates shall be deemed to be an Affiliate of Amarin, APCL or API.

“**Amarin**” — as defined in the first paragraph of this Agreement.

“**Amarin Products**” — collectively, the PCP Products, Permax and Zelapar.

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“**Amarin Product Rights**” — collectively, the PCP Product Rights, Permax® Rights, and Zelapar Rights.

“**Assumed Liabilities**” — as defined in Section 2.3.

**“Best Efforts”** — the reasonable efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as promptly as practicable; *provided, however*, that a Person required to use Best Efforts under this Agreement will not be thereby required to take actions that would result in a material adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions or to dispose of or make any change to its business, expend any material funds or incur any other material burden.

**“Breach”** — any breach of, or any inaccuracy in, any representation or warranty or any breach of, or failure to perform or comply with, any covenant or obligation, in or of this Agreement or any other Contract.

**“Business Day”** — any day other than (a) Saturday or Sunday or (b) any other day on which banks in London or Costa Mesa, California, are permitted or required to be closed.

**“Buyer”** — as defined in the first paragraph of this Agreement.

**“Buyer Indemnified Persons”** — as defined in Section 12.2.

**“Closing”** — as defined in Section 2.5.

**“Closing Date”** — the date on which the Closing actually takes place.

**“COBRA”** — as defined in Section 4.13(e).

**“Code”** — the Internal Revenue Code of 1986, as amended.

**“Confidential Information”** — as defined in Section 13.1(a).

**“Consent”** — any approval, consent, ratification, waiver or other authorization.

**“Contemplated Transactions”** — all of the transactions contemplated by this Agreement.

**“Contract”** — any agreement, contract, Lease, consensual obligation, promise or undertaking (whether written or oral and whether express or implied), whether or not legally binding, together with all amendments, modifications and supplements thereto.

**“Damages”** — as defined in Section 12.2.

**“Disclosure Schedules”** — the disclosure schedules delivered by Amarin to Buyer concurrently with the execution and delivery of this Agreement, as may be amended in accordance with Section 6.6.

**“ERISA”** — the Employee Retirement Income Security Act of 1974, as amended.

**“Elan/Amarin Option Agreement”** — that certain Amended and Restated Option Agreement, dated August 4, 2003, as amended, by and between Elan and Amarin.

**“Elan”** — Elan Pharma International Limited, a company incorporated in the Republic of Ireland, and a party to the Scherer/Elan License Agreement and the Elan/Amarin Option Agreement.

**“Elan Assignment Agreement”** — as defined in Section 8.5.

**“Eli Lilly”** — Eli Lilly and Company, an Indiana corporation and party to the Eli Lilly/Amarin License Agreement.

**“Eli Lilly/Amarin License Agreement”** — that certain Amended and Restated License and Supply Agreement, dated March 29, 2002, as amended, by and between Eli Lilly and Amarin.

**“Employee Plan”** — as defined in Section 4.13(a).

**“Encumbrance”** — any charge, claim, community or other marital property interest, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership, except for such imperfections of title and other encumbrances which are not substantial in character, amount or extent and do not materially detract from the value of the properties subject thereto.

**“Environment”** — soil, land surface or subsurface strata, surface waters (including navigable waters and ocean waters), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

**“Environmental Liabilities”** — any cost, damages, expense or liability arising from or under any Environmental Law, including those consisting of or relating to:

- (a) any environmental matter or condition (including on-site or off-site contamination, and regulation of any chemical substance or product);
- (b) any fine, penalty, judgment, award, settlement, legal or administrative proceeding, damages, loss, claim, demand or response, remedial or inspection cost or expense arising under any Environmental Law;

(c) financial responsibility under any Environmental Law for cleanup costs or corrective action, including any cleanup, removal, containment or other remediation or response actions (“**Cleanup**”) required by any Environmental Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) and for any natural resource damages; or

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(d) any other compliance, corrective or remedial measure required under any Environmental Law.

The terms “removal,” “remedial” and “response action” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“**CERCLA**”).

“**Environmental Law**” — any Legal Requirement that requires or relates to:

(a) advising appropriate authorities, employees or the public of intended or actual Releases of pollutants or hazardous substances or materials, violations of discharge limits or other prohibitions and the commencement of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) preventing or reducing to acceptable levels the Release of pollutants or hazardous substances or materials into the Environment;

(c) reducing the quantities, preventing the Release or minimizing the hazardous characteristics of wastes that are generated;

(d) assuring that products are designed, formulated, packaged and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) protecting resources, species or ecological amenities;

(f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil or other potentially harmful substances;

(g) cleaning up pollutants that have been Released, preventing the Threat of Release or paying the costs of such clean up or prevention; or

(h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

“**Exchange Act**” — the Securities Exchange Act of 1934, as amended.

“**FDA**” — the U. S. Food and Drug Administration or any successor entity thereto.

“**Governing Documents**” — with respect to any particular entity, (a) if a corporation, the articles or certificate of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; and (f) any amendment or supplement to any of the foregoing.

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“**Governmental Authorization**” — any Consent, license, registration (including a Product Registration), or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

“**Governmental Body**” — any:

(a) nation, state, county, city, town, borough, village, district or other jurisdiction;

(b) federal, state, local, municipal, foreign or other government;

(c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers), including specifically the FDA;

(d) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or

(e) official of any of the foregoing.

“**Hazardous Activity**” — the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Material in, on, under, about or from any of the API Facilities or any part thereof into the Environment.

“**Hazardous Material**” — any substance, material or waste which is regulated by any Governmental Body, including any material, substance or waste which is defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “contaminant,” “toxic waste” or “toxic substance” under any provision of Environmental Law, and including petroleum, petroleum products, asbestos, presumed asbestos-containing material or asbestos-containing material, urea formaldehyde and polychlorinated biphenyls.

“**HSR Act**” — the Hart-Scott-Rodino Antitrust Improvements Act, as amended.

“**IND**” — an investigational new drug application as filed with the FDA under the Act.

“**IRS**” — the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

“**Indemnified Person**” — as defined in Section 12.8.

“**Indemnifying Person**” — as defined in Section 12.8.

“**Knowledge**” — an individual will be deemed to have Knowledge of a particular fact or other matter if that individual is actually aware of that fact or matter. A Person (other than an individual) will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving as a director, executive officer, partner, or trustee of that Person (or in any similar capacity), or who has had active and significant involvement in the Contemplated

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Transactions on behalf of such Person, has Knowledge of that fact or other matter. For the avoidance of doubt, the executive officers of Amarin, APCL and API, and the persons having active and significant involvement in the Contemplated Transactions on behalf of such entities, are Richard A B Stewart, Michael Coffee, Ian Garland, Donald Joseph, Jonathan Lamb and Darren Cunningham. For purposes of the representations and warranties contained in Article 4 hereof, Amarin shall be deemed to have Knowledge of all matters as to which APCL or API have Knowledge.

“**Lease**” — any real property lease or any other lease or rental agreement, license, right to use or installment or conditional sale agreement, or any other Contract pertaining to the leasing or use of any real or tangible personal property.

“**Legal Requirement**” — any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty.

“**Liability**” — with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise.

“**Master Assignment and Assumption Agreement**” — as defined in Section 2.6(a)(i).

“**Material API Contract**” — any Contract (a)(i) under which API has or may acquire any rights or benefits, (ii) under which API has or may become subject to any obligation or liability, or (iii) by which API or any of the assets owned or used by API is or may become bound, and in addition, (b) which is disclosed, or required to be disclosed, on Schedule 4.17.

“**Material Adverse Effect**” — an event, change or effect that is materially adverse to any of (i) the Permax Rights taken as a whole, (ii) the Zelapar Rights taken as a whole, (iii) the PCP Product Rights taken as a whole or (iv) the financial condition or results of operations of API.

“**Material Amarin Contract**” — any Contract (a) under which Amarin has or may acquire any material rights or benefits with respect to any of the Acquired Assets, (b) under which Amarin has or may become subject to any material obligation or liability with respect to the Acquired Assets, or (c) by which any of the Acquired Assets are or may become bound in any material respect.

“**Material Consents**” — in the case of (a) Amarin, collectively, those Consents identified as “Material Consents” on Schedule 3.2, (b) API and APCL, collectively, those Consents identified as “Material Consents” on Schedule 4.2, and (c) Buyer, collectively, those Consents identified as “Material Consents” on Schedule 5.2.

“**Mill Valley Lease**” — as defined in Section 11.12(a).

“**NDA**” — a new drug application as filed with the FDA under the Act.

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“**NDA/ANDA Transfer Letter**” — as defined in Section 2.6(a)(iii).

“**Order**” — any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

“**Ordinary Course of Business**” — an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action

(a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; and

(b) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority).

“**PCP Product Assets**” — collectively, the PCP Product Know-How, PCP Product Records, PCP Product Registrations, and PCP Product Trademarks.

**“PCP Product Know-How”** — the manufacturing information, including formulae, processes, methods, manufacturing and testing procedures, technical information, clinical information, regulatory information, know-how and inventions, patentable and non-patentable, owned by Amarin and relating specifically and solely to the PCP Products.

**“PCP Product Records”** — the books, records and other materials held by Amarin that pertain solely to the PCP Products, whether in electronic or tangible form.

**“PCP Product Registrations”** — the Product Registrations disclosed on Schedule 3.9.

**“PCP Products”** — the pharmaceutical products that comprise Amarin’s portfolio of primary care products, being those products disclosed on Schedule 3.9.

**“PCP Product Rights”** — all of Amarin’s right, title and interest in and to the PCP Product Assets.

**“PCP Product Trademarks”** — the trademark registrations and applications disclosed on Schedule 3.9.

**“Permax®”** — a pharmaceutical formulation containing pergolide mesylate currently sold by API under the product name Permax®.

**“Permax® Rights”** — all of Amarin’s rights under the Eli Lilly/Amarin License Agreement, including but not limited to the exclusive right to use, promote, market, sell and distribute Permax® (excluding the Permax® Patch, a transdermal patch potentially in development for the delivery of Permax®) in the Territory.

**“Permitted Encumbrances”** — as defined in Section 4.6.

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**“Person”** — an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

**“Pro Forma Balance Sheet”** — the pro forma balance sheet of API set forth in Schedule 2.7 annexed hereto.

**“Proceeding”** — any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

**“Product Registrations”** — all regulatory approvals, licenses, applications, including NDAs, ANDAs, and INDs, and all supplements thereto, whether existing, pending, withdrawn or in draft form, together with all material correspondence to or from the FDA relative to any pharmaceutical product.

**“Purchase Price”** — as defined in Section 2.2.

**“Record”** — information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

**“Release”** — any release, spill, emission, leaking, pumping, pouring, dumping, emptying, injection, deposit, disposal, discharge, dispersal, leaching or migration on or into the Environment or into or out of any property.

**“Remedial Action”** — all actions, including any capital expenditures, required or voluntarily undertaken (a) to clean up, remove, treat or in any other way address any Hazardous Material or other substance; (b) to prevent the Release or Threat of Release or to minimize the further Release of any Hazardous Material or other substance so it does not migrate or endanger or threaten to endanger public health or welfare or the Environment; (c) to perform pre-remedial studies and investigations or post-remedial monitoring and care; or (d) to bring all API Facilities and the operations conducted thereon into compliance with Environmental Laws and environmental Governmental Authorizations.

**“Representative”** — with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

**“SEC”** — the United States Securities and Exchange Commission.

**“Schedule”** — a part or section of the Disclosure Schedules.

**“Scherer”** — R. P. Scherer Corporation, a Delaware corporation and a party to the Scherer/Elan License Agreement.

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**“Scherer/Elan License Agreement”** — that certain License and Supply Agreement, dated February 25, 1999, as amended, by and between Scherer and Elan.

**“Securities Act”** — the Securities Act of 1933, as amended.

**“Sellers”** — as defined in the first paragraph of this Agreement.

**“Software”** — all computer software and subsequent versions thereof, including source code, object, executable or binary code, objects, comments, screens, user interfaces, report formats, templates, menus, buttons and icons and all files, data, materials, manuals, design notes and other items and

documentation related thereto or associated therewith.

**“Subsidiary”** — with respect to any Person (the **“Owner”**), any corporation or other Person of which securities or other interests having the power to elect a majority of that corporation’s or other Person’s board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person (other than securities or other interests having such power only upon the happening of a contingency that has not occurred), are held by the Owner or one or more of its Subsidiaries.

**“Tax”** — any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees’ income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Body or payable under any tax-sharing agreement or any other Contract.

**“Taxation Authority”** — means any governmental or other authority whatsoever competent to impose any Taxation, whether in the United Kingdom, the United States or elsewhere.

**“Tax Return”** — any return (including any information return), report, statement, schedule, notice, form, declaration, claim for refund or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

**“Territory”** — with respect to Permax and/or the Permax Rights, as defined in the Eli Lilly/Amarin License Agreement, and with respect to Zelapar and/or the Zelapar Rights shall mean the United States.

**“Third Party”** — a Person that is not a party to this Agreement.

**“Third-Party Claim”** — any claim against any Indemnified Person by a Third Party, whether or not involving a Proceeding.

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**“Threat of Release”** — a reasonable likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

**“Trademark Assignment”** — as defined in Section 2.6(a)(ii).

**“UK GAAP”** — generally accepted accounting principles for financial reporting in the United Kingdom, applied on a basis consistent with the basis on which the balance sheets and the other financial statements referred to in Section 4.4 were prepared.

**“VAT”** — means value added tax.

**“Zelapar™”** — a pharmaceutical formulation of selegeline hydrochloride that falls within the claims of certain Zydis® patents (as more fully described in the Scherer/Elan License Agreement).

**“Zelapar Development Agreement”** — as defined in Section 11.2(a)(i).

**“Zelapar R&D Studies”** — the research and development study or studies contemplated in, and to be effected pursuant to, the Zelapar Development Agreement.

**“Zelapar Rights”** — all of Elan’s right, title and interest in any data, information, or know-how pertaining to, and any license or other rights in, Zelapar in the Territory owned or controlled by Elan at the time of Amarin’s exercise of its option under the Elan/Amarin Option Agreement, and relating to the use, promotion, distribution and sale of Zelapar in the Territory for use in the field of human therapeutic treatment of any disease, condition or disorder. The foregoing includes but is not limited to (i) all of Elan’s and Amarin’s rights under the Scherer/Elan License Agreement, as it pertains to the Territory, and (ii) all clinical, preclinical and other data, protocols, inventory, work in progress, regulatory rights or applications of any kind, contract rights, market research, patent rights, patent applications, trademark rights, trademark applications, and any know-how associated with Zelapar for use in the Territory.

## 1.2 USAGE

(a) *Interpretation.* In this Agreement, unless a clear contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (iii) reference to any gender includes each other gender;

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- (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;



- (v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;
  - (vi) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;
  - (vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;
  - (viii) “or” is used in the inclusive sense of “and/or”;
  - (ix) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”; and
  - (x) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.
- (b) *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with UK GAAP.
- (c) *Legal Representation of the Parties.* This Agreement was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

## ARTICLE 2 SALE AND TRANSFER OF THE ACQUIRED ASSETS; CLOSING

### 2.1 ASSETS TO BE SOLD

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, and effective as of the Closing Date, Sellers shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Sellers, free and clear of any Encumbrances other than Permitted Encumbrances, all of Sellers’ right, title and interest in and to the Acquired Assets. Notwithstanding the foregoing, the transfer of the Acquired Assets pursuant to this Agreement shall not include the assumption of any Liability except for the Assumed Liabilities.

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### 2.2 PURCHASE PRICE

- (a) The purchase price for the Acquired Assets (the “**Purchase Price**”) will consist of (i) Thirty-Eight Million U.S. Dollars (U.S. \$38,000,000), payable at Closing by the Buyer to the Sellers or to any Third Party at the Sellers’ direction, (ii) Three Million U.S. Dollars (U.S. \$3,000,000), payable upon Successful Completion (as hereinafter defined) of the Zelapar R&D Studies, (iii) Five Million U.S. Dollars (U.S. \$5,000,000), payable upon final FDA approval of the Zelapar NDA, and (iv) the assumption by Buyer at Closing of the Assumed Liabilities. For purposes hereof “**Successful Completion**” shall have the meaning set forth in the Zelapar Development Agreement.
- (b) Following Closing, the API Adjustment Amount shall be determined and paid as provided in Section 2.7.
- (c) Amarin shall be responsible for all transfer, sales, bulk sales, use and other related Taxes, other than VAT, if any, arising at any time out of the sale of the Acquired Assets to Buyer pursuant to this Agreement. Buyer shall be responsible for all VAT arising at any time out of the sale of the Acquired Assets to Buyer pursuant to this Agreement.

### 2.3 ASSUMED LIABILITIES

- (a) On the Closing Date, and effective as of the Closing Date, Buyer shall assume the following Liabilities of Amarin (collectively, the “**Assumed Liabilities**”):

**Zelapar Related Liabilities.** Buyer shall assume all obligations and liabilities of Amarin arising under the Elan/Amarin Option Agreement (or any other documentation entered into by Valeant at Closing under which it succeeds to Amarin’s rights and obligations under the Elan/Amarin Option Agreement) on and after the Closing Date, including the following:

- (i) *Elan Milestone Payment.* Buyer shall assume Amarin’s obligation to pay a one-time milestone payment to Elan under Section 7.1 of the Elan/Amarin Option Agreement;
- (ii) *Elan Royalty Payment.* Buyer shall assume Amarin’s obligation to pay Elan a 12.5% royalty on “Net Sales” of Zelapar in the Territory during the first 8 “Launch Years” under Section 7.3 of the Elan/Amarin Option Agreement; and
- (iii) *Scherer/Elan License Agreement Liabilities.* Buyer shall assume all obligations and liabilities of Amarin (as assumed by Amarin under Section 3.1(d) of the Elan/Amarin Option Agreement) arising under the Scherer/Elan License Agreement after the Closing Date, including Amarin’s obligation to pay Cardinal Health, Inc., as successor-in-interest by merger to R. P. Scherer, a 10% royalty on “Net Sales” of Zelapar in the Territory under Section 4.2 of the Scherer/Elan License Agreement.

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**Permax® Related Liabilities.** Buyer shall assume the following obligations and liabilities of Amarin to the extent they arise after the Closing Date:

- (iv) *Eli Lilly/Amarin License Agreement Liabilities.* Buyer shall assume all of Amarin's obligations and liabilities under the Eli Lilly/Amarin License Agreement; and
- (v) *Elan Royalty Payment.* Buyer shall assume Amarin's obligation to pay Elan an adjustable royalty on "Net Sales" of Permax® in the Territory under Section 3.10(e) of that certain Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, as amended, by and between Elan and Amarin.

(b) *API Liabilities.* For the avoidance of doubt, Sellers and Buyer acknowledge that except as expressly provided herein, none of API's Liabilities are assumed by Sellers or Buyer as part of or in connection with the Contemplated Transactions, but rather all Liabilities of API shall remain Liabilities of API, including without limitation all Liabilities relating to any termination or redundancy affecting employees of API or otherwise relating to any employee of API, and including all severance obligations to employees of API, except that Buyer shall not retain those Liabilities specifically assumed by Amarin under Section 11.15 hereof. In furtherance of the foregoing, it is understood and agreed that Sellers shall not be responsible for, and Buyer and its Affiliates hereby release Sellers from, any and all Liabilities of API, except for liabilities as to which Sellers are obligated to indemnify Buyer under Section 12.2 hereof.

(c) *Post-Closing Reduction of Assumed Liabilities.* In the event and to the extent that Buyer is able to negotiate and secure a reduction of some or all of the Assumed Liabilities after the Closing, any savings attributable to any such reductions shall inure exclusively to the benefit of Buyer.

## 2.4 ALLOCATION

The Purchase Price shall be allocated in accordance with Exhibit A. Buyer and Sellers acknowledge that the Purchase Price allocations were determined pursuant to arm's length bargaining regarding the fair market values of the Acquired Assets. After the Closing, the parties shall make consistent use of the allocation specified in Exhibit A for all Tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including the reports, if any, required to be filed under Section 1060 of the Code. If required under Section 1060 of the Code, Buyer shall prepare and deliver IRS Form 8594 to Sellers within forty-five (45) days after the Closing Date to be filed with the IRS. In any Proceeding related to the determination of any Tax, neither Buyer nor Sellers shall contend or represent that such allocation is not a correct allocation. Notwithstanding the foregoing, if any Taxation Authority challenges the Purchase Price allocations contained in this Agreement in any administrative or judicial proceeding, Sellers or Buyer, as the case may be, shall be allowed to settle or compromise such dispute in

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such manner as that party determines to be practicable, irrespective of whether such settlement is contrary to the specific terms of this Agreement regarding Purchase Price allocations.

## 2.5 CLOSING

The purchase and sale provided for in this Agreement (the "**Closing**") will take place at API's Mill Valley Facility. Unless Buyer and Sellers agree otherwise, the Closing shall take place on the date that is five (5) Business Days following the receipt of all of the Material Consents duly executed by all relevant parties or the waiver by the relevant party(ies) of the right to receive any such Material Consents as a condition to Closing. Subject to the provisions of ARTICLE 10, failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 2.5 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. In such a situation, the Closing will occur as soon as practicable, subject to ARTICLE 10.

## 2.6 CLOSING OBLIGATIONS

In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing:

- (a) Amarin shall deliver to Buyer:
  - (i) a general bill of sale, assignment and assumption agreement in a form to be mutually agreed (the "**Master Assignment and Assumption Agreement**"), executed by Amarin, pursuant to which (A) Amarin shall convey the Amarin Product Rights (except for the PCP Product Trademarks) to Buyer, and (B) Buyer shall assume the Assumed Liabilities;
  - (ii) an assignment in a form to be mutually agreed (the "**Trademark Assignment**"), executed by Amarin, pursuant to which Amarin shall assign to Buyer the PCP Product Trademarks held by Amarin;
  - (iii) a letter from Amarin to the FDA, dated as of the Closing Date, in form and substance acceptable to Buyer (the "**NDA/ANDA Transfer Letter**") pursuant to which Amarin shall advise the FDA of its transfer of the PCP Product Registrations to Buyer pursuant to this Agreement;
  - (iv) a termination agreement, dated as of the Closing Date, by and between Amarin and API, in form and substance acceptable to Buyer (the "**Termination Agreement**"), pursuant to which Amarin and API shall terminate, effective as of the Closing Date, (A) that certain Services Agreement, dated July 12, 2000, by and between Amarin and API, and (B) that certain Sales Agent Agreement, dated July 12, 2000, by and between Amarin and API;
  - (v) the Zelapar Development Agreement, executed by Amarin;
  - (vi) the Elan Assignment Agreement, executed by Elan and Amarin;

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- (vii) letters of resignation, dated as of the Closing Date, in form and substance reasonably acceptable to Buyer, from each of API's officers and directors;
  - (viii) evidence reasonably satisfactory to Buyer that each of the Material Consents disclosed on Schedules 3.2 and 4.2 has been obtained;
  - (ix) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance reasonably satisfactory to Buyer and its legal counsel and executed by Amarin;
  - (x) a certificate executed by Amarin as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 8.1 and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 8.2; and
  - (xi) a certificate of the secretary of Amarin certifying, as complete and accurate as of the Closing, attached copies of the Governing Documents of Amarin, certifying and attaching all requisite resolutions or actions of Amarin's board of directors and shareholders (if applicable) approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the incumbency and signatures of the officers of Amarin executing this Agreement and any other document relating to the Contemplated Transactions.
  - (xii) the Repurchase Agreements (as defined in Section 11.3), to the extent any have been entered into as of the Closing Date.
- (b) APCL shall deliver to Buyer:
- (i) the original stock certificate representing the API Shares, duly endorsed by APCL for transfer to Buyer or accompanied by a separate stock power duly endorsed by APCL; and
  - (ii) a certificate of the secretary of APCL certifying, as complete and accurate as of the Closing, attached copies of the Governing Documents of APCL, certifying and attaching all requisite resolutions or actions of APCL's board of directors and shareholders (if applicable) approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the incumbency and signatures of the officers of APCL executing this Agreement and any other document relating to the Contemplated Transactions.
- (c) Buyer shall deliver to Amarin:
- (i) Thirty-Eight Million U.S. Dollars (U.S. \$38,000,000) by wire transfer to an account specified by Amarin, a portion of which amount (consistent with Exhibit A

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hereto) shall be deemed to be paid to Amarin on behalf of APCL as payment for the API Shares;

- (ii) the Master Assignment and Assumption Agreement executed by Buyer;
- (iii) the Zelapar Development Agreement, executed by Buyer;
- (iv) evidence satisfactory to Amarin that each of the Material Consents disclosed on Schedule 5.2 has been obtained;
- (v) a certificate executed by Buyer as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 9.1 and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 9.2; and
- (vi) a certificate of the secretary of Buyer certifying, as complete and accurate as of the Closing, attached copies of the Governing Documents of Buyer and certifying and attaching all requisite resolutions or actions of Buyer's board of directors approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the incumbency and signatures of the officers of Buyer executing this Agreement and any other document relating to the Contemplated Transactions.
- (vii) a Stock Purchase Agreement relating to the sale of the API Shares from APCL to Buyer, in a form to be mutually agreed, executed by APCL and Buyer.

## 2.7 API ADJUSTMENT AMOUNT AND PAYMENT

(a) As promptly as reasonably practicable following the Closing, Buyer shall prepare, and Buyer and Amarin shall jointly agree upon, a balance sheet of API (the "**API Closing Balance Sheet**") as of the Closing Date on the same basis and applying the same accounting principles, policies and practices as were used in preparing the Pro Forma Closing Balance Sheet (as set out in Schedule 2.7 hereto). Each of the Buyer and Amarin shall give the other (or procure that the other has) access, through its employees, agents and advisers (provided that each party shall be entitled, at its option, to have its Representatives present), to all relevant files and/or working papers (with the right to take copies) in their possession or control to the extent that they are required in connection with the preparation and/or review of the API Closing Balance Sheet. The Buyer shall submit the draft API Closing Balance Sheet to Amarin for review within 14 calendar days after Closing. Once accepted by Amarin or otherwise agreed upon by Amarin and Buyer, the API Closing Balance Sheet shall be binding upon the parties. To avoid potential duplication between this Section 2.7 and Section 11.3, the API Closing Balance Sheet shall be prepared on the basis of wholesalers carrying two months of Permax inventory and on the basis that all of the envisaged Quality King inventory buy-back set out in the Pro-Forma Closing Balance Sheet has actually occurred. In addition, the API Closing Balance Sheet shall contain the same fair value adjustments in the same amount as contained in the Pro-Forma Closing Balance Sheet.

(b) The “**API Adjustment Amount**” (which may be a positive or negative number) will be equal to the amount determined by subtracting (i) the Total Assets less Current Liabilities as reflected in the API Closing Balance Sheet from (ii) the Total Assets less Current Liabilities as of February 29, 2004 as reflected in the Pro Forma Closing Balance Sheet.

(c) If the API Adjustment Amount is less than zero, then subject to Section 2.7(e) below, the Purchase Price will be increased by the API Adjustment Amount, and Buyer shall pay or cause to be paid the API Adjustment Amount to Amarin by wire transfer or by other mutually acceptable means within three (3) Business Days following the final determination of the API Adjustment Amount.

(d) If the API Adjustment Amount is greater than zero, then subject to Section 2.7(e) below, the inter-company receivable due to API from Amarin shall not be waived in full as provided in the Deed of Termination between Amarin and API (as further defined in Section 9.6) , and in such event Amarin shall pay to API such portion of the said inter-company receivable as is equal to the API Adjustment Amount, and only the then-remaining portion of such inter-company receivable shall be waived under the Deed of Termination. In the event an adjustment to such inter-company receivable is required under this Section 2.7(d), the amount thereof shall be settled by Amarin by wire transfer or by other mutually acceptable means within three (3) Business Days following the final determination of the API Adjustment Amount.

(e) No adjustment shall be made to the Purchase Price under Section 2.7(c) above or to the inter-company receivable under Section 2.7(d) above unless the amount of the API Adjustment Amount is at least fifty thousand dollars (\$50,000)

(f) The parties shall pay their own respective costs in connection with the preparation of the API Closing Balance Sheet.

(g) The draft API Closing Balance Sheet shall be deemed to have been accepted by Amarin as the binding API Closing Balance Sheet unless, within 20 calendar days of its receipt, Amarin delivers to the Buyer notice to the contrary specifying with reasonable detail:

- (i) the item or items disputed;
- (ii) the reason(s) for disputing such item or items; and
- (iii) how the draft API Closing Balance Sheet should be adjusted. If the Buyer and Amarin resolve the matters raised in the notice in the 20 Business Days following receipt of the notice, the draft API Closing Balance Sheet (adjusted, if necessary, as agreed by the Buyer and Amarin) will be deemed to have been accepted by the parties as the binding API Closing Balance Sheet;

(h) If Amarin and the Buyer are unable to reach agreement within 20 calendar days of the notice referred to in Clause 2.7(d), the matter(s) in dispute shall, at the written election of Amarin or the Buyer, be referred to the decision of a UK independent chartered accountant (the “**Independent Accountant**”) to be appointed (in default of nomination by agreement between Amarin and the Buyer) by the President for the time being of the Institute of Chartered Accountants in England and Wales on the written application of Amarin or of the Buyer (whichever applies first);

(i) The Independent Accountant shall act as an expert and not as an arbitrator. The Independent Accountant’s decision shall (in the absence of manifest error) be final and binding on Amarin and the Buyer for all the purposes of this Agreement. The Buyer and Amarin shall use their Best Efforts to ensure that the Independent Accountant’s decision as to the matter in dispute is made within 30 calendar days of appointment. The draft API Closing Balance Sheet, as adjusted (if necessary) to reflect the Independent Accountant’s final and binding decision, will be deemed to have been accepted by the parties as the binding API Closing Balance Sheet.

The costs of the Independent Accountant shall be apportioned between the parties as the Independent Accountant shall decide but each party shall be responsible for its own costs of presenting its case to the Independent Accountant.

(b)

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLERS AS TO SELLERS

Amarin (as to itself and APCL) and APCL (only as to itself) represent and warrant to Buyer as follows:

#### 3.1 ORGANIZATION AND GOOD STANDING

Amarin and APCL each is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to conduct its business as it is now being conducted, and to own or use its properties and assets in the conduct of its business.

#### 3.2 ENFORCEABILITY; AUTHORITY; NO CONFLICT

(a) This Agreement constitutes the legal, valid and binding obligation of each of Amarin and APCL and is enforceable against each of them in accordance with its terms. Upon the execution and delivery by Amarin and APCL of the Master Assignment and Assumption Agreement, the Trademark Assignment, and each other agreement to be executed or delivered by either or both of them at the Closing (collectively, the “**Sellers’ Closing Documents**”), each of Sellers’ Closing Documents signed by Amarin will constitute the legal, valid and binding obligation of Amarin enforceable against it in accordance with its terms, and each of the Sellers’ Closing Documents signed by APCL will constitute the legal, valid and

it is a party and to perform its obligations under this Agreement and each of the Sellers' Closing Documents to which it is a party, and such action has been duly authorized by all necessary action by each of Amarin's and APCL's shareholders (if required) and board of directors.

- (b) Except as set forth in Schedule 3.2, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):
- (i) Breach any provision of any of the Governing Documents of Amarin or APCL;
  - (ii) Breach any Legal Requirement or any Order to which Amarin or APCL or any of the Acquired Assets, may be subject;
  - (iii) contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by Amarin or APCL and is material to the Acquired Assets;
  - (iv) Breach any provision of, or give any Person the right to declare a default under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any Material Amarin Contract;
  - (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Acquired Assets; or
  - (vi) result in any shareholder of Amarin having the right to exercise dissenters' appraisal rights or any equivalent thereof.
- (c) Except as set forth in Schedule 3.2, neither Amarin nor APCL is required to obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

### 3.3 TITLE TO ACQUIRED ASSETS; ENCUMBRANCES

- (a) *Zelapar Rights.* The Elan/Amarin Option Agreement is valid and binding, and in full force and effect, and will continue to be so as of the Closing Date. Amarin has the right under the Elan/Amarin Option Agreement to obtain the Zelapar Rights from Elan, and as of the Closing Date Amarin shall have obtained the Zelapar Rights from Elan and conveyed the Zelapar Rights to Buyer hereunder, free and clear of any Encumbrances other than those contained in the Scherer/Elan License Agreement; provided that any grant of rights to, or retention of rights by, Amarin under the Zelapar Development Agreement shall not be deemed an Encumbrance against the Zelapar Rights and shall not otherwise be deemed a breach of the foregoing representations and warranties.

- (b) *Permax® Rights.* The Eli Lilly/Amarin License Agreement is valid and binding, and in full force and effect, and will continue to be so as of the Closing Date. Amarin owns, and as of the Closing Date Amarin shall convey to Buyer hereunder, the Permax Rights, free and clear of any Encumbrances other than those contained in the Eli Lilly/Amarin License Agreement.. Amarin specifically represents and warrants to Buyer that (i) neither Eli Lilly nor Elan has assigned to Amarin, and Amarin does not currently own, the "Elan Retained Rights" (as defined and contemplated in the Eli Lilly/Amarin License Agreement), and (ii) Eli Lilly has not granted Amarin, and Amarin does not currently own, a license to manufacture Permax® in the Territory as contemplated in [Section 14.5] of the Eli Lilly/Amarin License Agreement.
- (c) *PCP Product Assets and PCP Product Rights.* Amarin owns, and as of the Closing Date Amarin shall convey to Buyer hereunder, the PCP Product Assets and PCP Product Rights, free and clear of any Encumbrances.
- (d) *API Shares.* APCL owns, and as of the Closing Date APCL shall convey to Buyer hereunder, the API Shares, free and clear of any Encumbrances.

### 3.4 FINANCIAL STATEMENTS

Amarin has delivered to Buyer: (a) audited balance sheets of Amarin as at December 31 in each of the fiscal years 2000 through 2002, and the related audited statements of income, changes in shareholders' equity and cash flows for each of the fiscal years then ended, including in each case the notes thereto together with the report thereon of PricewaterhouseCoopers LLP, independent certified public accountants; and (b) unaudited quarterly selected financial data of Amarin as submitted to the Securities and Exchange Commission under cover of Forms 6-K.

### 3.5 MATERIAL AMARIN CONTRACTS

- (a) Schedule 3.5 contains an accurate and complete list of, and Amarin has delivered to Buyer current and complete copies of, all of the Material Amarin Contracts.
- (b) All of the Material Amarin Contracts are valid, binding and in full force and effect, and neither Amarin nor, to Amarin's Knowledge, any other party to any Material Amarin Contract, is in breach of or in default under (nor has any event occurred that with the notice or lapse of time or both would constitute a default, result in a material loss of benefits or rights, or result in the creation of an Encumbrance, under or pursuant to) any Material Amarin Contract.
- (c) Schedule 3.5(c) identifies each Material Amarin Contract with respect to which any third party has notified Amarin (whether orally or in writing) of its intention to terminate, cancel or modify such Material Amarin Contract or otherwise to reduce or change its activity thereunder such that it would adversely affect the benefits derived, or currently expected to be derived, thereunder by Amarin.

### 3.6 ABSENCE OF CERTAIN CHANGES AND EVENTS

Except as set forth in Schedule 3.6, since January 1, 2003, Amarin has not (i) amended or changed in any material respect its distribution practices or terms with respect to any of the Amarin Products, (ii) caused or effected any increase outside of the Ordinary Course of Business in API's Inventory at the wholesale, chain, institutional or retail levels, (iii) engaged in or implemented, either directly or through API, any special pricing, rebate allowance, promotional or marketing program or activities, special returns policy or special restocking program outside the Ordinary Course of Business that would materially impact the normal course or level of expected returns with respect to Zelapar, Permax or the PCP products, or (iv) entered into or amended any Contract with the intent of effecting any of the foregoing matters.

### 3.7 INTELLECTUAL PROPERTY

Except as disclosed in Schedule 3.7:

- (a) Since January 1, 2003, Amarin has not received any notice of or does not otherwise have any Knowledge of any claim that any of the Amarin Products and Rights infringe on any property right of any other third party, and there is no claim, action, suit or proceeding pending or, to Amarin's Knowledge, threatened alleging the ownership or use by Amarin or by API of any of the Amarin Products and Rights infringes any patent or other intellectual property rights of any third parties.
- (b) Other than the licenses and rights granted under the Amarin Material Contracts, Amarin has not granted any licenses, or authorized or permitted any other person or entity, other than Amarin and API, to use any of the Amarin Product Rights in the Territory.
- (c) To Amarin's Knowledge, there are not any intellectual property rights, including without limitation any patents, trade secrets, know-how, or trademarks, that are either owned by or licensed to Amarin, and that are not included in the Amarin Product Rights, that would be infringed by Buyer's ownership and use of the Amarin Product Rights in the Territory.

### 3.8 LEGAL PROCEEDINGS; ORDERS

- (a) Except as set forth in Schedule 3.8, there is no pending or, to Amarin's Knowledge, threatened Proceeding:
  - (i) by or against Amarin or APCL that relates to any Material Amarin Contract or any of the Acquired Assets; or
  - (ii) that would reasonably be expected to have the effect of prohibiting the consummation of any of the Contemplated Transactions.

To the Knowledge of Amarin, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement of any such Proceeding. Amarin has delivered to Buyer copies of all pleadings, correspondence and other documents relating to each Proceeding listed in Schedule 3.8

- (b) Except as set forth in Schedule 3.8, there is no Order to which Amarin or any of the Acquired Assets are subject that would be likely to affect any of the Acquired Assets or that would reasonably be expected to have the effect of prohibiting the consummation of the Contemplated Transactions.

### 3.9 PRODUCT REGISTRATIONS.

Schedule 3.9 contains an accurate and complete list, and Amarin has delivered to Buyer current and complete copies, of all Product Registrations owned by Amarin or in Amarin's possession relative to the ownership, use, sale or distribution of Zelapar, Permax® and the PCP Products in the Territory.

### 3.10 BROKERS OR FINDERS

Except as set forth on Schedule 3.10, Amarin has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the sale of the Acquired Assets or the Contemplated Transactions. Amarin shall be solely responsible for the obligations and liabilities disclosed on Schedule 3.10.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SELLERS AS TO API

Amarin and APCL represent and warrant to Buyer as follows:

### 4.1 ORGANIZATION AND GOOD STANDING

- (a) Schedule 4.1 contains a complete and accurate list of API's jurisdiction of incorporation and any other jurisdictions in which it is qualified to do business as a foreign corporation. API is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to conduct its business as it is now being conducted, to own the properties and assets that it owns, and to perform all its obligations under the Material API Contracts. API is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, or if API is not so qualified in any jurisdiction, it can become so qualified without any Material Adverse Effect on API.
- (b) Complete and accurate copies of the Governing Documents of API, as currently in effect, have been previously provided to Buyer.

- (c) API has no Subsidiary and, except as disclosed in Schedule 4.1, does not own any shares of capital stock or other securities of any other Person.

#### 4.2 ENFORCEABILITY; AUTHORITY; NO CONFLICT

- (a) Except as set forth in Schedule 4.2, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):
- (i) Breach any provision of any of the Governing Documents of API;
  - (ii) Breach any Legal Requirement or any Order to which API may be subject;
  - (iii) contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by API and is material to the business of API; or
  - (iv) Breach any provision of, or give any Person the right to declare a default under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any Material API Contract;
- (b) Except as set forth in Schedule 4.2, API is not required to obtain any Consent from any Person in connection with the consummation or performance of any of the Contemplated Transactions.

#### 4.3 CAPITALIZATION

The authorized capital stock of API consists of one thousand (1,000) shares of common stock, par value \$0.001 per share, of which ten (10) shares are issued and outstanding. APCL is and on the Closing Date will be the record and beneficial owner of the API Shares. There are no Contracts that would obligate Amarin, APCL or API to issue, sell or transfer any equity securities or other securities of API. None of the API Shares was issued in violation of the Securities Act or any other Legal Requirement.

#### 4.4 FINANCIAL STATEMENTS

Amarin has delivered to Buyer: (a) unaudited balance sheets of API as at December 31 in each of the fiscal years 2000 through 2002, and the related unaudited statements of income for each of the fiscal years then ended; and (b) an unaudited balance sheet of API as at December 31, 2003, attached as Schedule 4.4 hereto ("**API's Interim Balance Sheet**"), and the related unaudited statement of income for the fiscal year then ended. Such financial statements accurately reflect in all material respects the financial condition and the results of operations, changes in shareholders' equity and cash flows of API as at the respective dates of and for the periods referred to in such financial statements, all in accordance with UK GAAP. The financial statements referred to in this Section 4.4 reflect the consistent application of such accounting principles throughout the periods involved. The financial statements have been prepared from and are in accordance with the accounting Records of API. Amarin has also delivered to Buyer copies of all letters from Amarin's auditors to API's board of directors or the audit committee thereof during the twelve (12) months preceding the execution of this Agreement.

#### 4.5 BOOKS AND RECORDS

The books of account and other financial Records of API, all of which have been made available to Buyer, are complete and correct in all material respects and represent actual, bona fide transactions and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. The minute books of API, all of which have been made available to Buyer, contain accurate and complete Records of all meetings held of, and corporate action taken by, the shareholders, the board of directors and committees of the board of directors of API, and no meeting of any such shareholders, board of directors or committee has been held for which minutes have not been prepared or are not contained in such minute books.

#### 4.6 TITLE TO ASSETS; ENCUMBRANCES

Except for API's Mill Valley Facility, for which Amarin holds the leasehold estate, API (a) owns, or holds a valid leasehold interest in, all of the tangible properties and assets (whether real, personal, or mixed) that it uses in the conduct of its business, and (b) owns or possesses licenses or other rights to use all intangible properties that it uses in the conduct of its business, including all of the properties and assets reflected in API's Interim Balance Sheet (except for assets sold since the date of API's Interim Balance Sheet). All material properties and assets reflected in API's Interim Balance Sheet are free and clear of all Encumbrances, except for those reflected on API's Interim Balance Sheet and those otherwise specified in Schedule 4.6 (the "**Permitted Encumbrances**").

#### 4.7 CONDITION AND SUFFICIENCY OF ASSETS

Except as set forth in Schedule 4.7, all of the material tangible assets owned or used by API in the conduct of its business, including those assets reflected on API's Interim Balance Sheet, are structurally sound, are in good operating condition and repair subject to ordinary wear and tear, and are adequate for the uses to which they are being put. None of such assets is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

#### 4.8 ACCOUNTS RECEIVABLE

All Accounts Receivable that are reflected on API's Interim Balance Sheet or on the accounting Records of API as of the Closing Date represent or will represent valid obligations arising from sales actually made or services actually performed by API in the Ordinary Course of Business. Except as set forth

in Schedule 4.8, to Amarin's Knowledge, there is no contest, claim, defense or right of setoff, other than returns, rebates, and chargebacks in the Ordinary Course of Business of API, under any Contract with any account debtor of an Account Receivable relating to the amount or validity of such Account Receivable. Schedule 4.8 contains a complete and accurate list of all Accounts Receivable as of the date of the Interim Balance Sheet, which list sets forth the aging of each such Account Receivable.

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#### 4.9 INVENTORY

Schedule 4.9 contains an accurate and complete list of API's Inventory as of December 31, 2003. Taking into account the reserves for inventory on the books of API, all items of API's Inventory set forth on Schedule 4.9 are of a quality and quantity usable and, with respect to finished goods, saleable, in the Ordinary Course of Business. API is not in possession of any inventory not owned by API, including goods already sold.

#### 4.10 NO UNDISCLOSED LIABILITIES

Except as set forth in Schedule 4.10, API has no Knowledge of any Liabilities required to be disclosed under UK GAAP except for Liabilities reflected or reserved against in API's Interim Balance Sheet and current liabilities incurred in the Ordinary Course of Business since the date of API's Interim Balance Sheet.

#### 4.11 TAXES

- (a) *Tax Returns Filed and Taxes Paid.* API has filed or caused to be filed on a timely basis all Tax Returns and all reports with respect to Taxes that are or were required to be filed pursuant to applicable Legal Requirements. All Tax Returns and reports filed by API are true, correct and complete. API has paid, or made provision for the payment of, all Taxes that have or may have become due for all periods covered by the Tax Returns or otherwise, or pursuant to any assessment received by API, except such Taxes, if any, as are listed in Schedule 4.11 and are being contested in good faith and as to which adequate reserves (determined in accordance with UK GAAP) have been provided in API's Interim Balance Sheet. Except as provided in Schedule 4.11, API currently is not the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made, nor does Amarin have Knowledge of any state of facts which could result in a claim, that API is subject to taxation in that jurisdiction, by any Governmental Body in a jurisdiction where API does not file Tax Returns. There are no Encumbrances on any of API's assets that arose in connection with any failure (or alleged failure) to pay any Tax, and Amarin has no Knowledge of any basis for assertion of any claims attributable to Taxes which, if adversely determined, would result in any such Encumbrance.
- (b) *Delivery of Tax Returns and Information Regarding Audits and Potential Audits.* Amarin has delivered or made available to Buyer copies of, and Schedule 4.11 contains a complete and accurate list of, all Tax Returns filed by or on behalf of API since January 1, 1999. Schedule 4.11 contains a complete and accurate list of all Tax Returns of API that have been audited or are currently under audit and accurately describes any deficiencies or other amounts that were paid or are currently being contested. To the Knowledge of Amarin, no undisclosed deficiencies are expected to be asserted with respect to any such audits. All deficiencies proposed as a result of such audits have been paid, reserved against, settled or are being contested in good faith by appropriate proceedings as described in Schedule 4.11. Amarin has delivered, or made available to Buyer, copies of any examination reports, statements or deficiencies or similar items with respect to such audits. Except as provided in Schedule 4.11, Amarin has no Knowledge of any reasonable basis pursuant to which any Governmental Body may assert a claim or

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assess any additional taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Taxes of API either (i) claimed or raised by any Governmental Body in writing or (ii) as to which Amarin has Knowledge. Except as described in Schedule 4.11, API has not given or been requested to give waivers or extensions of any statute of limitations relating to the payment of Taxes of API or for which API may be liable.

- (c) *Proper Accrual.* The charges, accruals and reserves with respect to Taxes on the Records of API are adequate (determined in accordance with UK GAAP) and are at least equal to API's liability for Taxes. There exists no proposed tax assessment or deficiency against API except as disclosed in API's Interim Balance Sheet or in Schedule 4.11.
- (d) *Specific Potential Tax Liabilities and Tax Situations.*
- (i) *Withholding.* All Taxes that API is or was required by Legal Requirements to withhold, deduct or collect have been duly withheld, deducted and collected and have been paid to the proper Governmental Body or other Person.
- (ii) *Tax Sharing or Similar Agreements.* There is no tax sharing agreement, tax allocation agreement, tax indemnity obligation or similar written or unwritten agreement, arrangement, understanding or practice with respect to Taxes (including any advance pricing agreement, closing agreement or other arrangement relating to Taxes) that will require any payment by API.
- (iii) *Consolidated Group.* API (A) has not been a member of an affiliated group within the meaning of Code Section 1504(a) (or any similar group defined under a similar provision of state, local or foreign law) and (B) has no liability for Taxes of any person (other than API and its Subsidiaries) under Treas. Reg. sect. 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor by contract or otherwise.
- (iv) *Excessive Employee Remuneration.* The disallowance of a deduction under Code Section 162(m) for employee remuneration will not apply to any amount paid or payable by API under any contractual arrangement currently in effect.
- (v) *Golden Parachute Payments.* API has not made any payments, is not obligated to make any payments, and is not a party to any agreement that, under certain circumstances, could obligate it to make any payments that will not be deductible under Code Section 280G.



- (vi) *FIRPTA*. API is not and has not been a “U.S. real property holding corporation” (within the meaning of Code Section 897(c)(2)) during the applicable period specified in Code Section 897(c)(1)(A)(ii).
- (vii) *Other Taxes*. No sales or use tax will be payable by API as a result of the transactions contemplated by this Agreement, and there will be no documentary

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stamp tax, or other excise tax (or comparable tax imposed by a governmental entity) as a result of the transactions contemplated by this Agreement.

- (viii) *S Corporation Status*. API has never been an “S Corporation” as defined in Code Section 1361(a).
- (ix) *Tax Attributes*. API shall make available to the Buyer upon request: (a) the basis of each asset of API; (b) the amount of any net operating loss, net capital loss, unused investment tax credit or other tax credit, unused foreign tax or tax credit, or excess charitable contribution; and (c) with respect to the preceding clause (b) any limitations on use of any such attributes other than by reason of the transactions contemplated by this Agreement, in each case as at the date of API’s last federal Tax Return.
- (x) *Partnerships*. API does not have any ownership interest in any entity formed as a limited partnership or general partnership under the applicable laws of any State.

#### 4.12 NO MATERIAL ADVERSE CHANGE

Since January 1, 2003, except as set forth in Schedule 4.12 there has not been any material adverse change in the business, operations, assets, results of operations or condition (financial or other) of API, and no event has occurred or circumstance exists that would reasonably be expected to result in such a material adverse change; *provided, however*, that in no event shall any of the following constitute a material adverse change in the business, operations, assets, results of operations or condition of API: (i) any change resulting from the announcement or pendency of any of the transactions contemplated by this Agreement; (ii) any change resulting from compliance by API or Amarin with the terms of, or the taking of any action contemplated or permitted by, this Agreement; (iii) any change resulting from changes in general economic conditions, the financial markets or the pharmaceuticals industry generally including, without limitation, the entry of generic or other competitors into the market; or (iv) any change related to the commencement of war or other hostilities, acts of terrorism, or any national or international calamity affecting the United States.

#### 4.13 EMPLOYEE BENEFITS

- (a) Set forth in Schedule 4.13 is a complete and correct list of all “employee benefit plans” as defined by Section 3(3) of ERISA, all specified fringe benefit plans as defined in Section 6039D of the Code, and all other bonus, incentive-compensation, deferred-compensation, profit-sharing, stock-option, stock-appreciation-right, stock-bonus, stock-purchase, employee-stock-ownership, savings, severance, change-in-control, supplemental-unemployment, layoff, salary-continuation, retirement, pension, health, life-insurance, disability, accident, group-insurance, vacation, holiday, sick-leave, fringe-benefit or welfare plan, and any other employee compensation or benefit plan, agreement, policy, practice, commitment, contract or understanding (whether qualified or nonqualified, currently effective or terminated, written or unwritten) and any trust, escrow or other

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agreement related thereto that (i) is maintained or contributed to by API or has been maintained or contributed to in the last six (6) years by API, or with respect to which API has or may have any liability, and (ii) provides benefits, or describes policies or procedures applicable to any current or former director, officer, employee or service provider of API, or the dependents of any thereof, regardless of how (or whether) liabilities for the provision of benefits are accrued or assets are acquired or dedicated with respect to the funding thereof (each an “*Employee Plan*” and, collectively, the “*Employee Plans*”). Schedule 4.13 identifies as such any Employee Plan that is a plan intended to meet the requirements of Section 401(a) of the Code.

- (b) API does not sponsor, participate in, or contribute to any Employee Plan that is (x) a “*Defined Benefit Plan*” (as defined in Section 414(l) of the Code); (y) a “*Multiemployer Plan*” (as defined in Section 3(37) of ERISA); or (z) a plan subject to Title IV of ERISA, other than a Multiemployer Plan.
- (c) Amarin has delivered to Buyer true, accurate and complete copies of (i) the documents comprising each Employee Plan (or, with respect to any Employee Plan which is unwritten, a detailed written description of eligibility, participation, benefits, funding arrangements, assets and any other matters which relate to the obligations of API); (ii) all trust agreements, insurance contracts or any other funding instruments related to the Employee Plans; (iii) all rulings, determination letters, no-action letters or advisory opinions from the IRS, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation (the “*PBGC*”) or any other Governmental Body that pertain to each Employee Plan and any open requests therefor; (iv) the most recent actuarial and financial reports (audited and/or unaudited) and the annual reports filed with any Government Body with respect to the Employee Plans during the current year and each of the three preceding years; (v) all collective bargaining agreements pursuant to which contributions to any Employee Plan(s) have been made or obligations incurred (including both pension and welfare benefits) by API, and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by such entities; (vi) all securities registration statements filed with respect to any Employee Plan; (vii) all contracts with third-party administrators, actuaries, investment managers, consultants and other independent contractors that relate to any Employee Plan, (viii) all summary plan descriptions, summaries of material modifications and memoranda, employee handbooks and other written communications regarding the Employee Plans.
- (d) Except as disclosed in Schedule 4.13, full payment has been made of all amounts that are required under the terms of each Employee Plan to be paid as contributions with respect to all periods prior to and including the last day of the most recent fiscal year of such Employee Plan ended on or before the date of this Agreement and all periods thereafter prior to the Closing Date. API has paid in full all required insurance premiums, subject only to normal retrospective adjustments in the ordinary course, with regard to the Employee Plans for all policy years or other applicable policy periods ending on or before the Closing Date.

(e) API has, at all times, complied, and currently complies, in all material respects with the applicable continuation requirements for its welfare benefit plans, including (1) Section 4980B of the Code (as well as its predecessor provision, Section 162(k) of the Code) and Sections 601 through 608, inclusive, of ERISA, which provisions are hereinafter referred to collectively as

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“**COBRA**” and (2) any applicable state statutes mandating health insurance continuation coverage for employees.

(f) The form of all Employee Plans is in compliance with the applicable terms of ERISA, the Code, and any other applicable laws, including the Americans with Disabilities Act of 1990, the Family Medical Leave Act of 1993 and the Health Insurance Portability and Accountability Act of 1996, and such plans have been operated in compliance with such laws and the written Employee Plan documents. Neither API nor any fiduciary of an Employee Plan has violated the requirements of Section 404 of ERISA. All required reports and descriptions of the Employee Plans (including Internal Revenue Service Form 5500 Annual Reports, Summary Annual Reports and Summary Plan Descriptions and Summaries of Material Modifications) have been (when required) timely filed with the IRS, the U.S. Department of Labor or other Governmental Body and distributed as required, and all notices required by ERISA or the Code or any other Legal Requirement with respect to the Employee Plans have been appropriately given.

(g) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS, and Amarin has no Knowledge of any circumstances that will or could result in revocation of any such favorable determination letter. Each trust created under any Employee Plan has been determined to be exempt from taxation under Section 501(a) of the Code, and API is not aware of any circumstance that will or could result in a revocation of such exemption. Each Employee Welfare Benefit Plan (as defined in Section 3(1) of ERISA) that utilizes a funding vehicle described in Section 501(c)(9) of the Code or is subject to the provisions of Section 505 of the Code has been the subject of a notification by the IRS that such funding vehicle qualifies for tax-exempt status under Section 501(c)(9) of the Code or that the plan complies with Section 505 of the Code, unless the IRS does not, as a matter of policy, issue such notification with respect to the particular type of plan. With respect to each Employee Plan, no event has occurred or condition exists that will or could give rise to a loss of any intended tax consequence or to any Tax under Section 511 of the Code.

(h) There is no material pending or threatened Proceeding relating to any Employee Plan, nor is there any basis for any such Proceeding. Neither API nor any fiduciary of an Employee Plan has engaged in a transaction with respect to any Employee Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject API or Buyer to a Tax or penalty imposed by either Section 4975 of the Code or Section 502(l) of ERISA or a violation of Section 406 of ERISA. The Contemplated Transactions will not result in the potential assessment of a Tax or penalty under Section 4975 of the Code or Section 502(l) of ERISA nor result in a violation of Section 406 of ERISA.

(i) API has maintained workers' compensation coverage as required by applicable state law through purchase of insurance and not by self-insurance or otherwise except as disclosed to Buyer on Schedule 4.13.

(j) Except as required by Legal Requirements, the consummation of the Contemplated Transactions will not accelerate the time of vesting or the time of payment, or increase the amount, of compensation due to any director, employee, officer, former employee or former officer of API. There are no contracts or arrangements providing for payments that could subject any person to liability for tax under Section 4999 of the Code.

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(k) Except for the severance plans and agreements set forth in Schedule 4.13 and continuation coverage requirements of COBRA, API has no obligations or potential liability for benefits to employees, former employees or their respective dependents following termination of employment or retirement under any of the Employee Plans that are Employee Welfare Benefit Plans.

(l) None of the Contemplated Transactions will result in an amendment, modification or termination of any of the Employee Plans. No written or oral representations have been made to any employee or former employee of API promising or guaranteeing any employer payment or funding for the continuation of medical, dental, life or disability coverage for any period of time beyond the end of the current plan year (except to the extent of coverage required under COBRA). No written or oral representations have been made to any employee or former employee of API concerning the employee benefits of Buyer.

(m) Each Employee Welfare Benefit Plan which is a “group health plan” as defined in Section 607(l) of ERISA has been operated in material compliance with Part 7 of Title I, Subtitle B of ERISA and sections 9801-9803, 9811, 9812 and 9831-9833 of the Code at all times.

(n) Each Employee Welfare Benefit Plan that is a “health plan” within the meaning of 45 C.F.R. Parts 160 and 164, but not a “small health plan” within the meaning of 45 C.F.R. Parts 160 and 164, is in compliance with the privacy requirements described in the Regulations issued under sections 262 and 264 of the Health Insurance Portability and Accountability Act of 1996.

(o) API has complied in all material respects with all aspects and requirements of the Sarbanes-Oxley Act of 2002 and the Regulations promulgated pursuant thereto applicable to any Employee Plans maintained by API.

#### **4.14 COMPLIANCE WITH LEGAL REQUIREMENTS; GOVERNMENTAL AUTHORIZATIONS**

(a) Except as set forth in Schedule 4.14:

- (i) API is, and at all times since January 1, 2003, has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets;
- (ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) would be reasonably likely to constitute or result in a violation by API of, or a failure on the part of API to comply with, any Legal Requirement; and
- (iii) API has not received, at any time since January 1, 2003, any notice or other communication (whether oral or written) from any Governmental Body regarding any actual, alleged, possible or potential violation of, or failure to comply with, any Legal Requirement.

- (b) Schedule 4.14 contains a complete and accurate list of each Governmental Authorization that is held by API. Each Governmental Authorization listed or required to be listed in Schedule 4.14 is valid and in full force and effect. Except as set forth in Schedule 4.14:
- (i) API is, and at all times since January 1, 2003, has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 4.14;
  - (ii) no event has occurred or circumstance exists that would be reasonably likely (with or without notice or lapse of time) to (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 4.14 or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 4.14;
  - (iii) API has not received, at any time since January 1, 2003, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible or potential violation of or failure to comply with any term or requirement of any Governmental Authorization listed in Schedule 4.14 or (B) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of or modification to any Governmental Authorization listed in Schedule 4.14; and
  - (iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 4.14, other than such Governmental Authorizations the non-renewal of which would not have a Material Adverse Effect, have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made to maintain in full force and effect such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in Schedule 4.14 collectively constitute all of the Governmental Authorizations necessary to permit API to lawfully conduct and operate its business substantially in the manner in which it currently conducts and operates such business and to permit API to own and use its assets in the manner in which it currently owns and uses such assets.

#### 4.15 LEGAL PROCEEDINGS; ORDERS

- (a) Except as set forth in Schedule 4.15, there is no pending or, to Amarin's Knowledge, threatened Proceeding
- (i) by or against API or that relates to the business of, or any of the assets owned or used by, API.

To the Knowledge of Amarin, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement of any such

Proceeding. API has delivered to Buyer copies of all pleadings, correspondence and other documents relating to each Proceeding listed in Schedule 4.15.

- (b) Except as set forth in 4.15:
- (i) there is no Order to which API, its business or any of its assets is subject or that would be reasonably expected to have the effect of prohibiting the consummation of any of the Contemplated Transactions; or
  - (ii) no officer or director of API is subject to any Order that prohibits such officer or director from engaging in or continuing any conduct, activity or practice relating to the business of API.

#### 4.16 ABSENCE OF CERTAIN CHANGES AND EVENTS

Except as set forth in Schedules 4.16 and 4.17, from January 1, 2003 through December 31, 2003, API has conducted its business only in the Ordinary Course of Business, and since January 1, 2003 there has not been any:

- (a) change in API's authorized or issued capital stock, grant of any stock option or right to purchase shares of capital stock of API or issuance of any security convertible into such capital stock;
- (b) amendment to the Governing Documents of API;
- (c) payment or increase (except in the Ordinary Course of Business) by API of any bonuses, salaries or other compensation to any director, officer or employee or entry into any employment, severance or similar Contract with any director, officer or employee;
- (d) adoption of, amendment to or material increase in the payments to or benefits under, any Employee Plan;
- (e) damage to or destruction or loss of any material asset, whether or not covered by insurance;
- (f) entry into, termination of or receipt of notice of termination of any material license, distributorship, dealer, sales representative, joint venture, credit or similar Contract to which API is a party and which is material to API;
- (g) sale (other than sales of Inventories in the Ordinary Course of Business), lease or other disposition of any material asset or property of API or the creation of any Encumbrance on any material asset;

- (h) cancellation or waiver of any material claims or rights with a value to API;
- (i) indication by any customer or supplier of an intention to discontinue or materially adversely change the terms of any material relationship with API;

- (j) material change in the accounting methods used by API; or
- (k) contract entered into by API to do any of the foregoing.

#### **4.17 MATERIAL API CONTRACTS; NO DEFAULTS**

- (a) Schedule 4.17 contains an accurate and complete list, and Amarin has delivered to Buyer accurate and complete copies, of:
  - (i) each Contract that involves performance of services or delivery of goods or materials by API of an amount or value in excess of Twenty-Five Thousand U.S. Dollars (U.S. \$25,000);
  - (ii) each Contract that involves performance of services or delivery of goods or materials to API of an amount or value in excess of Twenty-Five Thousand U.S. Dollars (U.S. \$25,000);
  - (iii) each Contract that involves expenditures or receipts by API in excess of Twenty-Five Thousand U.S. Dollars (U.S. \$25,000);
  - (iv) each Contract with API that affects the ownership of, leasing of, title to, use of or any leasehold or other interest in any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than Twenty-Five Thousand U.S. Dollars (U.S. \$25,000) and with a term of less than one year);
  - (v) each Contract between API and any labor union or other employee representative of a group of employees relating to wages, hours and other conditions of employment;
  - (vi) each Contract (however named) involving a sharing of profits, losses, costs or liabilities by API with any other Person;
  - (vii) each Contract containing covenants that in any material respect purport to restrict API's business activity or limit the freedom of API to engage in any line of business or to compete with any Person;
  - (viii) each Contract with API that provides for payments to or by any Person in excess of \$25,000 based on sales, purchases or profits, other than direct payments for goods;
  - (ix) each power of attorney of API that is currently effective and outstanding;
  - (x) each Contract that contains or provides for an express undertaking by API to be responsible for consequential damages; provided that the failure to disclaim consequential damages does not constitute such an express undertaking;

- (xi) each Contract with API involving capital expenditures in excess of Twenty-Five Thousand U.S. Dollars (U.S. \$25,000);
  - (xii) each written warranty, guaranty and/or other similar undertaking with respect to contractual performance that obligates, or would be reasonably expected to obligate, API to make one or more payments which in the aggregate exceed Twenty-Five Thousand U.S. Dollars (U.S. \$25,000); and
  - (xiii) each amendment, supplement and modification (whether oral or written) in respect of any of the foregoing.
- (b) Except as set forth in Schedule 4.17:
    - (i) each Material API Contract identified or required to be identified in Schedule 4.17 is in full force and effect and is valid and enforceable in accordance with its terms; and
    - (ii) no Material API Contract identified or required to be identified in Schedule 4.17 provides for the acceleration of the benefits and obligations thereunder, or the automatic or optional termination thereof, or the payment of a penalty or other extraordinary payment thereunder, as a result of the purchase of the API Shares by Buyer.
  - (c) Except as set forth in Schedule 4.17:
    - (i) API is in compliance with all applicable terms and requirements of each Material API Contract;
    - (ii) to Amarin's Knowledge, each other Person that has or had any obligation or liability under any Material API Contract is in compliance with all applicable terms and requirements of such Contract;
    - (iii) to Amarin's Knowledge, no event has occurred or circumstance exists that (with or without notice or lapse of time) is reasonably likely to contravene, conflict with or result in a Breach of, or give API or other Person the right to declare a default under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any Material API Contract;

- (iv) to Amarin's Knowledge, no event has occurred or circumstance exists under or by virtue of any Material API Contract that (with or without notice or lapse of time) would cause the creation of any Encumbrance affecting any of API's assets; and
- (v) API has not given to or received from any other Person, at any time since January 1, 2003, any notice or other communication (whether oral or written) regarding any actual, alleged, possible or potential violation or Breach of, or default under, any Material API Contract.

- (d) There are no renegotiations of, attempts to renegotiate or outstanding rights to renegotiate any material amounts paid or payable to API under current or completed Material API Contracts with any Person having the express contractual or statutory right to demand or require such renegotiation and no such Person has made written demand for such renegotiation.
- (e) Each Material API Contract relating to the sale, design, manufacture or provision of products or services by API has been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is in violation of any Legal Requirement.

#### **4.18 INSURANCE**

- (a) Amarin has delivered to Buyer:
  - (i) accurate and complete copies of all policies of insurance (and correspondence relating to coverage thereunder) to which API is a party or under which API is or has been covered at any time since January 1, 2003; and
  - (ii) accurate and complete copies of all pending applications by API for policies of insurance.
- (b) Schedule 4.18 describes:
  - (i) any self-insurance arrangement by or affecting API, including any reserves established thereunder, but excluding any deductibles set forth in the insurance policies provided to Buyer; and
  - (ii) all obligations of API to provide insurance coverage to Third Parties on an additional insured basis (for example, under Leases or service agreements) and identifies the policy under which such coverage is provided.
- (c) Amarin has provided to Buyer, for the current policy year and each of the two (2) preceding policy years:
  - (i) a summary of the loss experience under each policy of insurance;
  - (ii) a statement describing each claim under a policy of insurance for an amount in excess of Twenty-Five Thousand U.S. Dollars (U.S. \$25,000), which sets forth:
    - (A) the name of the claimant;
    - (B) a description of the policy by insurer, type of insurance and period of coverage; and
    - (C) the amount and a brief description of the claim;

- (iii) a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.
- (d) Except as set forth in Schedule 4.18:
  - (i) all policies of insurance to which API is a party or that provide coverage to API:
    - (A) are valid, outstanding and enforceable;
    - (B) are issued by an insurer that is financially sound and reputable;
    - (C) taken together, provide adequate insurance coverage for API's assets and operations for all risks normally insured against by a Person carrying on the same business or businesses as API in the same or a similar location for all risks to which API is normally exposed; and
    - (D) are sufficient for compliance with all Legal Requirements and Material API Contracts;
  - (ii) API has not received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights or (B) any notice of cancellation or any other indication that any policy of insurance is no longer in full force or effect or that the issuer of any policy of insurance is not willing or able to perform its obligations thereunder;
  - (iii) API has paid all premiums due, and has otherwise performed all of its obligations, under each policy of insurance to which it is a party or that provides coverage to API; and

(iv) API has given notice to the insurer of all claims that may be insured thereby.

#### 4.19 ENVIRONMENTAL MATTERS

Except as disclosed in Schedule 4.19:

- (a) API is in compliance with, and is not in violation of or liable under, any Environmental Law. API has not received any actual or threatened order, notice or other communication from (i) any Governmental Body or private citizen acting in the public interest or (ii) the current or prior owner or operator of any API Facility, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or threatened obligation to undertake or bear the cost of any Environmental Liabilities with respect to any API Facility or other property or asset (whether real, personal or mixed) in which API has or had an interest, or with respect to any property or API Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by API or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.
- (b) There are no pending or, to the Knowledge of Amarin, threatened claims, Encumbrances, or other restrictions of any nature, resulting from any Environmental Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting any API Facility or any other property or asset (whether real, personal or mixed) in which API has or had an interest.
- (c) Amarin does not have any Knowledge of, nor has API received, any citation, directive, inquiry, notice, Order, summons, warning or other communication that relates to Hazardous Activity, Hazardous Materials or any alleged, actual, or potential violation or failure to comply with any Environmental Law, or of any alleged, actual, or potential obligation to undertake or bear the cost of any Environmental Liabilities with respect to any API Facility or property or asset (whether real, personal or mixed) in which API has or had an interest, or with respect to any property or API Facility to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by API or any other Person for whose conduct it is or may be held responsible, have been transported, treated, stored, handled, transferred, disposed, recycled or received.
- (d) API does not have any Environmental Liabilities with respect to any API Facility or, to the Knowledge of Amarin, with respect to any other property or asset (whether real, personal or mixed) in which API (or any predecessor) has or had an interest or at any property geologically or hydrologically adjoining any API Facility or any such other property or asset.
- (e) To the Knowledge of Amarin, there are no Hazardous Materials present on or in the Environment at any API Facility or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, aboveground or underground storage tanks, landfills, land deposits, dumps, equipment (whether movable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps, or any other part of the API Facility or such adjoining property, or incorporated into any structure therein or thereon. API has not permitted or conducted, and is not aware of, any Hazardous Activity conducted with respect to any API Facility or any other property or assets (whether real, personal or mixed) in which API has or had an interest except in compliance with all applicable Environmental Laws.
- (f) To the Knowledge of Amarin, there has been no Release or Threat of Release of any Hazardous Materials at or from any API Facility or at any other location where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by any API Facility, or from any other property or asset (whether real, personal or mixed) in which API has or had an interest, or to the Knowledge of Amarin any geologically or hydrologically adjoining property, whether by API or any other Person.
- (g) Amarin has not conducted or caused to be conducted any reports, studies, analyses, tests, or monitoring pertaining to Hazardous Materials or Hazardous Activities in, on, or under any API Facility, or concerning compliance, by API or any other Person for whose conduct it is or may be held responsible, with Environmental Laws.

#### 4.20 EMPLOYEES

- (a) Schedule 4.20 contains a complete and accurate list of the following information for each employee of API, including each employee on leave of absence or layoff status: name; job title; and date of hiring or engagement. Amarin has heretofore provided to Buyer information relating to current compensation paid or payable to each API employee, any change in compensation since January 1, 2003, and sick and vacation leave that is accrued but unused for API employees.
- (b) No retired employee or director of API, nor their dependents, is receiving or scheduled to receive in the future any pension benefits; pension option election; retiree medical insurance coverage; retiree life insurance coverage; or other benefits.
- (c) Schedule 4.20 contains a complete and accurate list of the following information for each API employee who has been terminated or laid off, or whose hours of work have been reduced by more than fifty percent (50%) by API, since January 1, 2003: (i) the date of such termination, layoff or reduction in hours; and (ii) the reason for such termination, layoff or reduction in hours.
- (d) API has not violated the Worker Adjustment and Retraining Notification Act or any similar state or local Legal Requirement. During the ninety (90) day period prior to the date of this Agreement, API has not terminated any employees.
- (e) As of the Closing Date, Amarin represents that to its Knowledge, no employee of API to be retained by API after Closing (as identified in writing to Amarin at least 5 business days prior to Closing) is bound by any Contract that purports to limit the ability of such employee to engage in or continue or perform any conduct, activity, duties or practice relating to the business of API.

#### 4.21 LABOR RELATIONS; COMPLIANCE

- (a) API has complied in all respects with all Legal Requirements relating to employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar Taxes, and occupational safety and health. API is not liable for the payment of any Taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.
- (b) API has not been, and is not now, a party to any collective bargaining agreement or other labor contract; (ii) since January 1, 2003, there has not been, there is not presently pending or existing, and to Amarin's Knowledge there is not threatened, any strike, slowdown, picketing, work stoppage or employee grievance process involving API; (iii) to Amarin's Knowledge no event has occurred or circumstance exists that could reasonably be expected to provide the basis for any work stoppage or other labor dispute; (iv) there is not pending or, to Amarin's Knowledge, threatened against or affecting API any Proceeding relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed with the

National Labor Relations Board or any comparable Governmental Body, and, to Amarin's Knowledge, there is no organizational activity or other labor dispute against or affecting API or any API Facility; (v) no application or petition for an election of or for certification of a collective bargaining agent is pending; (vi) no labor grievance or arbitration Proceeding exists that might have Material Adverse Effect upon API or the conduct of its business; (vii) there is no lockout of any employees by API, and no such action is contemplated by API; and (viii) to Amarin's Knowledge there has been no charge of discrimination filed against or threatened against API with the Equal Employment Opportunity Commission or similar Governmental Body.

#### 4.22 INTELLECTUAL PROPERTY ASSETS

- (a) The term "**API's Intellectual Property Assets**" means the following intellectual property owned by or licensed to API in which API has a proprietary interest:
  - (i) All assumed fictional business names, trade names, registered and unregistered trademarks, service marks and applications (collectively, "**API Marks**");
  - (ii) all know-how, trade secrets, confidential or proprietary information, customer lists, Software, technical information, data, process technology, plans, drawings and blue prints (collectively, "**API Trade Secrets**").

Notwithstanding anything contained herein to the contrary, API's Intellectual Property Assets shall not be deemed to include, and API disclaims any right, title or interest in (i) the names "Amarin," "Amarin Pharmaceuticals Inc.," or any variation of such names or (ii) any internet web sites and internet domain names currently used by API or otherwise containing the names "Amarin," "Amarinpharma," "Amarin Pharmaceuticals" or any variation of such names.

- (b) Schedule 4.22 contains a complete and accurate list and summary description, including any royalties paid or received by API, and API has delivered to Buyer accurate and complete copies, of all Material API Contracts relating to API's Intellectual Property Assets, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available Software programs under which API is the licensee. There are no outstanding and, to Amarin's Knowledge, no threatened disputes or disagreements with respect to any such Material API Contract.
- (c) Except as set forth in Schedule 4.22, API is the owner of all right, title and interest in and to each of API's Intellectual Property Assets, free and clear of all Encumbrances, or has a valid license to use API's Intellectual Property Assets, and has the right to use without payment to a Third Party (except payments to Governmental Authorities) all of API's Intellectual Property Assets, other than in respect of licenses listed in Schedule 4.22.
- (d) API does not own, and otherwise does not have any proprietary interest in, (i) any patents, patent applications, or inventions and discoveries that may be patentable

(collectively, "**Patents**") or (ii) any registered or unregistered copyrights in either published works or unpublished works (collectively, "**Copyrights**").

- (e)
  - (i) Schedule 4.22 contains a complete and accurate list and summary description of all API Marks;
  - (ii) Except as set forth in Schedule 4.22, All API Marks that have been registered with the United States Patent and Trademark Office, are validly and currently so registered;
  - (iii) No API Mark has been or is now involved in any opposition, invalidation or cancellation Proceeding during Amarin's ownership thereof and, to Amarin's Knowledge, no such action is threatened with respect to any of the API Marks; and
  - (iv) To Amarin's Knowledge, there is no trademark or trademark application of any other Person that is potentially interfering with the API Marks.
- (f) API has taken all reasonable precautions to protect the secrecy, confidentiality and value of all API Trade Secrets.

#### 4.23 CERTAIN PAYMENTS

Since January 1, 2003, neither API nor any other person acting for or on behalf of API, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kick-back, or other payment to any Person, private or public, regardless of form, whether in money, property, or

services in violation of any Legal Requirement, or (b) established or maintained any fund or asset for such purpose that has not been recorded in the books and records of API .

#### 4.24 RELATIONSHIPS WITH AFFILIATES

No Affiliate of Amarin other than Amarin, APCL and API has, or since January 1, 2003 has had, any interest in any property (whether real, personal or mixed and whether tangible or intangible) used in API's business. Neither Amarin nor APCL nor any Affiliate of either of them owns, or since January 1, 2003 has owned, of record or as a beneficial owner, a material equity interest or any other material financial or profit interest in any Person that has had business dealings or a material financial interest in any transaction with API other than business dealings or transactions disclosed in Schedule 4.24, each of which has been conducted in the Ordinary Course of Business with API at substantially prevailing market prices and on substantially prevailing market terms. Except as set forth in Schedule 4.24, neither Amarin nor APCL nor any Affiliate of either of them is a party to any Material API Contract.

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### ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Amarin as follows:

#### 5.1 ORGANIZATION AND GOOD STANDING

Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to conduct its business as it is now conducted.

#### 5.2 AUTHORITY; NO CONFLICT

- (a) This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the Master Assignment and Assumption Agreement, and each other agreement to be executed or delivered by Buyer at Closing (collectively, the "**Buyer's Closing Documents**"), each of the Buyer's Closing Documents will constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Buyer's Closing Documents and to perform its obligations under this Agreement and the Buyer's Closing Documents, and such action has been duly authorized by all necessary corporate action.
- (b) Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the Contemplated Transactions by Buyer will give any Person the right to prevent, delay or otherwise interfere with any of the Contemplated Transactions pursuant to:
  - (i) any provision of Buyer's Governing Documents;
  - (ii) any resolution adopted by the board of directors or the shareholders of Buyer;
  - (iii) any Legal Requirement or Order to which Buyer may be subject; or
  - (iv) any Contract to which Buyer is a party or by which Buyer may be bound.
- (c) Except as set forth in Schedule 5.2, Buyer is not and will not be required to obtain any Consent from any Person or Governmental Authority in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

#### 5.3 CERTAIN PROCEEDINGS

There is no pending Proceeding that has been commenced against Buyer or any of its Affiliates that would be reasonably expected to prohibit any of the Contemplated Transactions. To Buyer's Knowledge, no such Proceeding has been threatened.

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#### 5.4 BROKERS OR FINDERS

Neither Buyer nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the sale of the Acquired Assets or the Contemplated Transactions.

#### 5.5 INVESTMENT REPRESENTATION

Buyer is acquiring the API Shares for investment only for its own account and not with a view to, or for resale in connection with, any distribution thereof in violation of the Securities Act.

### ARTICLE 6 COVENANTS OF AMARIN PRIOR TO CLOSING

#### 6.1 ACCESS AND INVESTIGATION

Between the date of this Agreement and the Closing Date, and upon reasonable advance notice received from Buyer, Amarin shall (a) furnish Buyer and its representatives (collectively, the "**Buyer's Group**") with copies of all such Contracts, Governmental Authorizations, books and Records and other existing documents and data as Buyer may reasonably request relative to Amarin (but only to the extent such documents and data relate to the Acquired



Assets), APCL, API and the Acquired Assets; (b) furnish the Buyer's Group with such additional financial, operating and other relevant data and information relating to the Acquired Assets as Buyer may reasonably request; and (c) otherwise cooperate and assist, to the extent reasonably requested by Buyer, with Buyer's investigation of API and the Acquired Assets.

## 6.2 CONDUCT OF AMARIN'S BUSINESS

Between the date of this Agreement and the Closing, Amarin and APCL covenant that they will not, without the prior written consent of Buyer, (i) enter into or amend any material agreement with respect to the Acquired Assets, provided that Amarin shall not be restricted in any manner from amending any of its agreements with Elan Corporation plc or its Affiliates other than the Elan/Amarin Option Agreement, (ii) amend or change in any material respect its distribution practices or terms with respect to any of the Amarin Products, (iii) cause or effect any increase outside the Ordinary Course of Business in API's Inventory at the wholesale, chain, institutional or retail levels, or (v) enter into or amend any Contract which would effect any of the foregoing matters.

## 6.3 OPERATION OF API'S BUSINESS

Between the date of this Agreement and the Closing, Amarin shall:

- (a) conduct API's business consistent with the manner in which the business has been operated since January 1, 2004, subject to adjustments reasonably related to changes in business and/or market conditions;

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- (b) except as otherwise consented to by Buyer in writing (which consent shall not be unreasonably withheld or delayed), and without making any commitment on Buyer's behalf, use its Best Efforts to preserve intact API's current business organization, keep available the services of its officers, employees and agents and maintain its relations and good will with suppliers, customers, landlords, creditors, employees, agents and others having business relationships with it;
- (c) confer with Buyer prior to implementing operational decisions of a material nature relative to API's business;
- (d) report periodically to Buyer concerning the status of API's business, operations and finances, and discuss with Buyer any plans to sell Amarin Products to wholesalers or other customers;
- (e) make no material changes in API's management personnel without prior consultation with Buyer;
- (f) use its Best efforts to maintain API's assets in a state of repair and condition that complies with Legal Requirements and is consistent with the requirements and normal conduct of API's business;
- (g) use its Best Efforts to keep in full force and effect, without amendment, all material rights relating to API's business;
- (h) comply with all Legal Requirements and contractual obligations applicable to the operations of API's business;
- (i) continue in full force and effect the insurance coverage under the policies set forth in Schedule 4.18 or substantially equivalent policies;
- (j) except as required to comply with ERISA or to maintain qualification under Section 401(a) of the Code, not amend, modify or terminate any Employee Plan without the express written consent of Buyer, and except as required under the provisions of any Employee Plan, not make any contributions to or with respect to any Employee Plan without the express written consent of Buyer, provided that Amarin shall contribute or cause API to contribute that amount of cash to each Employee Plan necessary to fully fund all of the benefit liabilities of such Employee Plan on a plan-termination basis as of the Closing Date;
- (k) reasonably cooperate with Buyer and assist Buyer in identifying the Governmental Authorizations required by Buyer to operate the business of API from and after the Closing Date and either transferring existing Governmental Authorizations of API to Buyer, where permissible, or obtaining new Governmental Authorizations for Buyer;
- (l) upon reasonable request from time to time, execute and deliver all documents, make all truthful oaths, testify in any Proceedings involving API and do all other acts that may be

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reasonably necessary or desirable in the opinion of Buyer to consummate the Contemplated Transactions, all without further consideration; and

- (m) maintain all books and Records of API relating to API's business in the Ordinary Course of Business.

## 6.4 NEGATIVE COVENANT

Except as otherwise expressly permitted herein or as required under Legal Requirements, between the date of this Agreement and the Closing Date, Amarin shall not, without the prior written Consent of Buyer, (a) take any affirmative action, or fail to take any reasonable action within its control, as a result of which any of the changes or events listed in Sections 3.6 or 4.16 would be likely to occur; (b) make any modification to any material Contract or Governmental Authorization; (c) allow the levels of raw materials, supplies or other materials included in API's Inventory, other than the Permax® inventory, to vary materially from the levels customarily maintained; or (d) enter into any compromise or settlement of any litigation, proceeding or governmental investigation relating to the Acquired Assets, the business of API or the Assumed Liabilities.

## 6.5 REQUIRED APPROVALS

As promptly as practicable after the date of this Agreement, Amarin shall make all remaining filings required by Legal Requirements to be made by it in order to consummate the Contemplated Transactions (including all remaining filings under the HSR Act, if any). Amarin and APCL also shall cooperate with Buyer and its Representatives with respect to all filings that Buyer elects to make or, pursuant to Legal Requirements, shall be required to make in connection with the Contemplated Transactions. Amarin and APCL also shall cooperate with Buyer and its Representatives in obtaining all Material Consents (including taking all actions requested by Buyer to cause early termination of the applicable waiting period under the HSR Act); provided that neither Amarin nor API shall be required to dispose of or make any change to its business, expend any material funds or incur any other burden in order to comply with this Section 6.5.

## **6.6 NOTIFICATION**

Between the date of this Agreement and the Closing, Amarin may from time to time supplement or amend the Disclosure Schedules if Amarin becomes aware of any fact or condition that would cause or constitute a Breach of any of Amarin's representations and warranties made as of the date of this Agreement, provided that either (i) such fact or condition arose or occurred after the date on which this Agreement was executed and delivered by the parties or (ii) Amarin first receives notification of such fact or condition on or subsequent to the date on which this Agreement was executed and delivered by the parties. Should any such fact or condition require any change to the Disclosure Schedules, Amarin shall promptly deliver to Buyer a supplement to the Disclosure Schedules specifying such change. If the matter(s) disclosed in a supplement to the Disclosure Schedules would not be reasonably expected to have a Material Adverse Effect, then Buyer shall remain obligated to close the Contemplated Transactions on the terms set out herein and shall have no rights under Section 10.1 or Article 12 as a result of such updated

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disclosure. If any matter disclosed in a supplement to the Disclosure Schedules would be reasonably expected to have a Material Adverse Effect, then Buyer at its option may either (i) terminate this Agreement, in which case such right of termination shall be Buyer's sole remedy relating to such disclosed matter or (ii) close the Contemplated Transactions on the terms set out herein, in which case Buyer shall not be entitled to exercise any rights under Section 10.1 or Article 12 as a result of such updated disclosure. During the period between the date of this Agreement and the Closing, Amarin also shall promptly notify Buyer of the occurrence of any Breach of any covenant of Amarin in this ARTICLE 6 or of the occurrence of any event that would make the satisfaction of the conditions in ARTICLE 8 impossible or unlikely.

## **6.7 RESTRICTIONS ON NEGOTIATIONS; BREAKUP FEES**

(a) Until such time as this Agreement shall be terminated pursuant to Section 10.1, Amarin and APCL shall not directly or indirectly take any action to solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, or provide any nonpublic information to, any Person (other than Buyer) relating to any transaction or arrangement involving Amarin, APCL, API or the Acquired Assets, that would render the Contemplated Transactions incapable of consummation (an "Alternative Transaction"), including any merger or consolidation of Amarin or API, the transfer of any capital stock of API to a third party by Amarin, the issuance by API to a third party of any capital stock (or other securities convertible into capital stock of API), the sale of all or substantially all of Amarin's or API's current business, or the sale or other disposition of substantially all of the Acquired Assets. Amarin shall notify Buyer of any such inquiry or proposal within twenty-four (24) hours of receipt or awareness of the same by Amarin. Notwithstanding the foregoing, if a majority of the Board of Directors of Amarin determines in good faith that (i) any proposal, inquiry or request is reasonably likely to lead to an Alternative Transaction that would be materially more favorable to the stockholders of Amarin than the terms of the Contemplated Transactions hereunder (a "Superior Transaction") and (ii) it would otherwise constitute a breach of the directors' fiduciary duties to stockholders not to further consider such Superior Transaction,

Amarin may furnish information with respect to Amarin and API to the Person making such proposal, inquiry or request pursuant to a customary confidentiality agreement, and may participate in discussions and negotiations with the Person making such proposal, inquiry or request. If Amarin elects to enter into the Superior Transaction and fails to perform its obligation to sell the Acquired Assets and to take the other actions required to be taken by it at the Closing, Buyer shall be entitled to receive and recover as its sole remedy from Amarin, within five business days after the termination of this Agreement, a fee in the amount of Three Million Dollars (\$3,000,000).

(b) If for any reason other than as specified in Section 10.1 below Buyer fails to perform its obligation to purchase the Acquired Assets and to take the other actions required to be taken by it at the Closing, Amarin shall be entitled to receive and recover as its sole remedy from Buyer, within five Business Days after the termination of this Agreement, a fee in the amount of Three Million Dollars (\$3,000,000).

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## **6.8 BEST EFFORTS**

Amarin shall use its Best Efforts to cause the conditions in ARTICLE 8 and Section 9.3 to be satisfied and to otherwise take, or cause to be taken, all actions, and to do, or cause to be done and cooperate with Buyer in order to do, all things necessary, proper or advisable to consummate the Closing and the Contemplated Transactions as promptly as practicable.

## **6.9 PAYMENT OF API LIABILITIES**

Except as disclosed on Schedule 6.9, between the date of this Agreement and the Closing Date Amarin shall cause API to pay or otherwise satisfy its Liabilities in the Ordinary Course of Business, except those being contested in good faith.

# **ARTICLE 7 COVENANTS OF BUYER PRIOR TO CLOSING**

## **7.1 REQUIRED APPROVALS**

As promptly as practicable after the date of this Agreement, Buyer shall make all remaining filings required by Legal Requirements to be made by it to consummate the Contemplated Transactions (including all remaining filings under the HSR Act, if any). Buyer also shall cooperate with Amarin (a) with

respect to all filings Amarin shall be required by Legal Requirements to make and (b) in obtaining all Material Consents (including taking all actions requested by Amarin to cause early termination of the applicable waiting period under the HSR Act).

## 7.2 BEST EFFORTS

Buyer shall use its Best Efforts to cause the conditions in ARTICLE 9 and Section 8.3 to be satisfied and to otherwise take, or cause to be taken, all actions, and to do, or cause to be done and cooperate with Sellers in order to do, all things necessary, proper or advisable to consummate the Closing and the Contemplated Transactions as promptly as practicable.

## ARTICLE 8 CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Acquired Assets and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

### 8.1 ACCURACY OF REPRESENTATIONS

- (a) All of Amarin's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made, without giving effect to any supplement to the Disclosure Schedules.

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- (b) Each of the representations and warranties in Sections 4.2(a) and 4.4, and each of the representations and warranties in this Agreement that contains an express materiality qualification, shall have been accurate in all respects as of the date of this Agreement, and shall be accurate in all respects as of the time of the Closing as if then made, without giving effect to any supplement to the Disclosure Schedules.

### 8.2 AMARIN'S PERFORMANCE

All of the covenants and obligations that Amarin is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

### 8.3 MATERIAL CONSENTS AND APPROVALS

Each of the Material Consents identified in Schedules 3.2, 4.2, and 5.2 and each of the required approvals under Section 6.5 shall have been obtained and shall be in full force and effect.

### 8.4 EXERCISE OF ELAN OPTION

Amarin shall have timely and properly exercised its option under Section 3 of the Elan/Amarin Option Agreement, and Amarin shall have received and delivered to Buyer written confirmation from Elan as to (i) Amarin's timely and proper exercise of such option, and (ii) Amarin's having fully satisfied all other conditions precedent to the effective exercise of the option.

### 8.5 ELAN ASSIGNMENT AGREEMENT

Unless otherwise waived in writing by Buyer, Amarin shall have negotiated and executed, and delivered to Buyer a copy of, the Assignment Agreement between Elan and Amarin (the "*Elan Assignment Agreement*") referenced in Section 3.1(b) of the Elan/Amarin Option Agreement.

### 8.6 ADDITIONAL DOCUMENTS

Amarin shall have caused the documents and instruments required by Section 2.6(a) and the following documents to be delivered (or tendered subject only to Closing) to Buyer:

- (a) a certificate of the secretary of Amarin certifying, as complete and accurate as of the Closing, attached copies of the Governing Documents of API;
- (b) releases of all Encumbrances on the Acquired Assets, other than Permitted Encumbrances;
- (c) certificates dated as of a date not earlier than the fifth Business Day prior to the Closing as to the good standing of API and, to the extent available, payment of all applicable state Taxes by API, executed by the appropriate officials of the State of Delaware and each

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jurisdiction in which Amarin is licensed or qualified to do business as a foreign corporation as specified in Schedule 4.1(a); and

- (d) such other documents as Buyer may reasonably request for the purpose of:

- (i) evidencing the accuracy of any of Amarin's representations and warranties;
- (ii) evidencing the performance by Amarin of, or the compliance by Amarin with, any covenant or obligation required to be performed or complied with by Amarin;

- (iii) evidencing the satisfaction of any condition referred to in this ARTICLE 8; or
- (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

## **8.7 NO PROCEEDINGS**

Since the date of this Agreement, there shall not have been commenced or threatened against Buyer any Proceeding that would be reasonably likely to have the effect of prohibiting any of the Contemplated Transactions.

## **ARTICLE 9 CONDITIONS PRECEDENT TO SELLERS' OBLIGATIONS TO CLOSE**

Amarin's and APCL's obligation to sell the Acquired Assets and to take the other actions required to be taken by Amarin and APCL at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Amarin in whole or in part):

### **9.1 ACCURACY OF REPRESENTATIONS**

All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement and shall be accurate in all material respects as of the time of the Closing as if then made.

### **9.2 BUYER'S PERFORMANCE**

All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects.

### **9.3 MATERIAL CONSENTS AND APPROVALS**

Each of the Material Consents identified in Schedule 5.2 and each of the required approvals under Section 7.1 shall have been obtained and shall be in full force and effect.

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### **9.4 ADDITIONAL DOCUMENTS**

Buyer shall have caused the documents and instruments required by Section 2.6(c) to be delivered (or tendered subject only to Closing) to Amarin, together with such other documents as Amarin may reasonably request for the purpose of:

- (i) evidencing the accuracy of any representation or warranty of Buyer;
- (ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer; or
- (iii) evidencing the satisfaction of any condition referred to in this ARTICLE 9.

### **9.5 NO PROCEEDING**

Since the date of this Agreement, there shall not have been commenced or threatened against Seller any Proceeding that would be reasonably likely to have the effect of prohibiting any of the Contemplated Transactions.

### **9.6 DEED OF TERMINATION**

Amarin and API shall have entered into a Deed of Termination substantially in the form agreed between Amarin and Buyer.

## **ARTICLE 10 TERMINATION**

### **10.1 TERMINATION EVENTS**

By notice given prior to or at the Closing, subject to Section 10.2, this Agreement may be terminated as follows:

- (a) by Buyer if a material Breach of any provision of this Agreement has been committed by Amarin and such Breach has not been waived by Buyer;
- (b) by Amarin if a material Breach of any provision of this Agreement has been committed by Buyer and such Breach has not been waived by Amarin;
- (c) by Buyer if any condition in ARTICLE 8 has not been satisfied as of the date specified for Closing in Section 2.5 or if satisfaction of such a condition by such date is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement), and Buyer has not waived such condition on or before such date;
- (d) by Amarin if any condition in ARTICLE 9 has not been satisfied as of the date specified for Closing in Section 2.5 or if satisfaction of such a condition by such date is or becomes impossible (other than through the failure of Amarin or APCL to comply with their obligations under this Agreement), and Amarin has not waived such condition on or before such date;

- (e) by mutual consent of Buyer and Amarin;
- (f) by Buyer if the Closing has not occurred on or before March 31, 2004, or such later date as the parties may agree upon, unless Buyer is in material Breach of this Agreement; or
- (g) by Amarin if the Closing has not occurred on or before March 31, 2004, or such later date as the parties may agree upon, unless Amarin is in material Breach of this Agreement.

## 10.2 EFFECT OF TERMINATION

**EACH PARTY'S RIGHT OF TERMINATION UNDER SECTION 10.1 IS IN ADDITION TO ANY OTHER RIGHTS IT MAY HAVE UNDER THIS AGREEMENT OR OTHERWISE, AND THE EXERCISE OF SUCH RIGHT OF TERMINATION WILL NOT BE AN ELECTION OF REMEDIES. IF THIS AGREEMENT IS TERMINATED PURSUANT TO SECTION 10.1, ALL OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT WILL TERMINATE, EXCEPT THAT THE OBLIGATIONS OF THE PARTIES IN THIS SECTION 10.2, ARTICLE 13, AND SECTION 14.1 WILL SURVIVE.**

## ARTICLE 11 ADDITIONAL COVENANTS

### 11.1 PAYMENT OF TAXES RESULTING FROM SALE OF ACQUIRED ASSETS

Seller shall pay in a timely manner all Taxes other than VAT resulting from or payable in connection with the sale of the Acquired Assets pursuant to this Agreement, regardless of the Person on whom such Taxes are imposed by Legal Requirements. Buyer shall be responsible for paying all VAT resulting from or payable in connection with the sale of the Acquired Assets pursuant to this Agreement.

### 11.2 REGULATORY MATTERS

- (a) *Regulatory Responsibility for Zelapar, Permax® and the PCP Products.* From and after the Closing Date, the following parties shall retain or assume, as the case may be, the regulatory responsibilities under all applicable laws and regulations with respect to the ownership, use, sale or distribution of Zelapar, Permax® and the PCP Products in the Territory:
  - (i) *Zelapar.* Buyer and Amarin shall enter into the Zelapar Development Agreement substantially in the form attached hereto as Exhibit B at Closing. Pursuant thereto, effective as of the Closing Date, Amarin shall be responsible for the implementation of the Zelapar R&D Studies as more particularly provided therein. Amarin shall pay up to a maximum of Two Million Five Hundred Thousand U.S. Dollars (U.S. \$2,500,000) of actual out-of-pocket costs incurred by it in connection with conducting the Zelapar R&D Studies, and Buyer shall be responsible for paying all such costs incurred by Amarin in excess of \$2,500,000 all as more particularly prescribed in the Zelapar Development Agreement.
  - (ii) *Permax®.* From and after the Closing Date, all regulatory responsibilities relative to the ownership, use, sale and distribution of Permax® in the Territory shall be discharged either by Eli Lilly or Buyer, as the case may be, under the Eli Lilly/Amarin License Agreement, or any successor agreement thereto.
  - (iii) *PCP Products.* From and after the Closing Date, Buyer shall assume all regulatory responsibilities with respect to the ownership, use, sale and distribution of the PCP Products in the Territory.
- (b) *Transfer of Product Registrations.* As soon as reasonably practicable following the Closing Date, Buyer shall file with the FDA the NDA/ANDA Transfer Letter in order to effect the transfer of the Product Registrations listed on Schedule 3.9 from Amarin to Buyer. Amarin shall use reasonable effort and take any and all actions otherwise reasonably required by the FDA or by any other Governmental Body to effect the transfer of the Product Registrations from Amarin to Buyer.
- (c) *Communications with Governmental Bodies.* From and after the Closing Date, Amarin shall upon request provide Buyer with copies of all correspondence between Amarin and the FDA or any other Governmental Body relating to the Amarin Products in the Territory.
- (d) *Governmental Inquiries.* From and after the Closing Date, Amarin shall advise Buyer in writing of any inquiries received or other contact from the FDA or any other Governmental Body relative to the Amarin Products including the manufacture, storage, handling, marketing, selling, promotion or distribution of Zelapar, Permax® or the PCP Products. Amarin shall promptly furnish to Buyer any report, correspondence, warning letter and other documents issued by or provided to the FDA or any other Governmental Body in connection with any such inquiries.

### 11.3 REDUCTION OF INVENTORY

(a) As promptly as reasonably practicable after the execution and delivery of this Agreement, Amarin shall use Best Efforts to enter into inventory repurchase agreements (the "Repurchase Agreements") with each of Quality King Health Care, Cardinal Distribution, Amerisource Bergen and McKesson Drug Company (collectively, the "Key Wholesalers") providing for the repurchase by Amarin at its own cost of certain inventory held by such distributors. The Repurchase Agreements shall be reasonably acceptable to Buyer. Under the Repurchase Agreements, Amarin shall seek to repurchase the quantities of inventory set forth in Schedule 11.3 hereto (the "Designated Inventory") at the prices indicated therein; provided, however, that in Amarin's sole discretion it may repurchase any portion of the Designated Inventory at prices exceeding those set forth in Schedule 11.3, up to a maximum of 5% above the scheduled prices. []. To the extent Amarin effects any repurchases at a price higher than that set forth in Schedule 11.3, the quantity of Designated Inventory that Amarin shall seek to repurchase from the relevant Key Wholesaler(s) (as set forth on Schedule 11.3) will be proportionately reduced. Each of the Repurchase

after the Closing as contemplated in Section 11.3(b) below). The Repurchase Agreements shall provide that (i) Amarin's obligation to pay for repurchased inventory shall be subject to confirmation of the receipt and authenticity of the applicable inventory to Amarin's reasonable satisfaction and (ii) Amarin shall use its Best Efforts to cause any or all repurchased inventory to be destroyed. The Repurchase Agreements shall give Amarin the option of using repurchasing agents or other third parties reasonably acceptable to Buyer to perform any of Amarin's obligations under this Section 11.3. Notwithstanding anything herein to the contrary, in no event shall Amarin be required to pay more than Eight Million Eight Hundred Thousand Dollars (\$8,800,000) in performing its obligations under this Section 11.3, which limitation shall apply to all costs and expenses incurred by Amarin in effecting the repurchase of Designated Inventory including the costs of repurchase and any administrative fees, third party costs including fees and expenses of any repurchasing agent, and costs of destroying repurchased inventory.

(b) Amarin and Buyer acknowledge and agree that the Closing hereunder shall not be contingent on Amarin's ability to enter into any Repurchase Agreements and the execution of Repurchase Agreements shall not constitute a condition to the obligation of either party to consummate the Closing. In the event that, within 30 Business Days after the execution and delivery of this Agreement (i) any of the Key Wholesalers has not entered into a Repurchase Agreement providing for the repurchase of Designated Inventory on the terms contemplated herein or (ii) Amarin is otherwise unable to obtain Repurchase Agreements for the repurchase of all or any portion of the Designated Inventory within the price range specified herein, then the parties shall proceed with the Closing (subject to the satisfaction of all applicable conditions set forth in this Agreement), and for a period of 30 days after the Closing Date Amarin shall continue to use its Best Efforts to enter into Repurchase Agreements with respect to any Designated Inventory not then covered by a Repurchase Agreement, provided that the maximum price payable by Amarin as specified in Section 11.3(a) above shall be increased to ten percent (10%) above the prices indicated on Schedule 11.3 (and the quantity of Designated Inventory that Amarin shall seek to repurchase from the relevant Key Wholesaler(s) will be proportionately reduced). Upon the expiration of such 30-day period, this Section 11.3 shall automatically terminate and Amarin shall have no further obligations whatsoever hereunder (other than its obligations under any Repurchase Agreements then in effect), provided that within twenty (20) Business Days thereafter Amarin shall pay to Buyer an amount equal to the difference between (i) Eight Million Eight Hundred Thousand Dollars (\$8,800,000) and (ii) the aggregate amount of costs and expenses incurred by Amarin as of such date in performing its obligations under this Section 11.3.

(c) In addition to the foregoing, within thirty (30) days of Closing, Amarin shall pay a total of \$1.2 million to certain of the Key Wholesalers to reduce or eliminate the credit balances claimed to be due to such Key Wholesalers, as shown on Schedule 4.8, provided that if Amarin does not pay the full \$1.2 million to the Key Wholesalers in accordance herewith within such thirty (30) day period, then Amarin shall immediately pay the unexpended portion of such \$1.2 million to Buyer.

#### 11.4 REPORTS AND RETURNS

(a) After the Closing, Amarin shall prepare and file on a timely basis all reports and returns required by Legal Requirements relating to its ownership and use of the Acquired Assets

through and including the Closing Date and shall prepare the Tax Returns and computations of API for all accounting periods, VAT prescribed accounting periods or other relevant periods ending on or before the Closing Date. Amarin shall prepare such returns and reports based on the normal and historical methods of accounting used to calculate and prepare such information.

(b) Amarin or its duly authorized agents shall prepare all documentation and shall conduct all matters (including correspondence) relating to the agreement of the Tax Returns and computations of API for all accounting periods, VAT prescribed accounting periods, or other relevant periods ending on or prior to the Closing Date with the appropriate Tax Authority; provided, however, that any agreement with a taxing authority relating to the foregoing shall be subject to approval by Buyer if the results of such agreement could materially adversely impact or affect the tax liability or tax attributes of API for any period after the Closing Date.

(c) Buyer or its duly authorized agents shall prepare the Tax Returns and computations of API for the accounting period, VAT prescribed accounting period, or other relevant period after which Closing occurs. Buyer shall be responsible for agreeing with the Tax Authority regarding such Tax Returns, but where the matter to be agreed may affect Amarin's liability under this Agreement Buyer shall inform Amarin thereof prior to agreeing the same and shall take proper notice of all reasonable representations which Amarin may make with respect thereto.

(d) Buyer shall provide or procure to be provided to Amarin such access to books, accounts and records (during normal business hours upon prior written notice) and copies of all information, documents and evidence in its possession or in the possession of its agents or API in respect of any accounting period or prescribed accounting period of API ending on or before the Closing Date which may reasonably be requested by Amarin for the purposes of this Section 11.4.

#### 11.5 ASSISTANCE IN PROCEEDINGS

Amarin and APCL will cooperate with Buyer and its counsel in the contest or defense of, and make reasonably available their personnel and provide any testimony and reasonable access to their books and Records in connection with, any Proceeding involving or relating to (a) any Contemplated Transaction or (b) any action, activity, circumstance, condition, conduct, event, fact, failure to act, incident, occurrence, plan, practice, situation, status or transaction on or before the Closing Date involving Amarin, APCL, API or the Acquired Assets.

#### 11.6 NONCOMPETITION, NONSOLICITATION AND NONDISPARAGEMENT

(a) *Noncompetition.* For a period of four (4) years after the Closing Date, Amarin shall not, anywhere in the Territory, directly or indirectly (including by or through any of its affiliates or Subsidiaries) invest in, own, manage, operate, finance, control, advise, render services to or guarantee the

ingredients contained in any of the Amarin Products (a “**Competing Business**”); *provided, however*, that Amarin may purchase or otherwise acquire up to (but not more than) five percent (5%) of any class of the securities of any Person engaged in or planning to become engaged in a Competing Business (but may not otherwise participate in the activities of such Person) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Exchange Act.

- (b) *Nonsolicitation.* For a period of three (3) years after the Closing Date, Amarin, on the one hand, and Buyer and API on the other hand, shall not, directly or indirectly:
- (i) Disparage the other party by making an untrue statement intended to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of such party to cease doing business with such party, to deal with any competitor of such party or in any way interfere with its relationship with such party;
  - (ii) Disparage the other party by making an untrue statement intended to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of such party on the Closing Date or within the year preceding the Closing Date to cease doing business with such party, to deal with any competitor of such party or in any way interfere with its relationship with such party; or
  - (iii) hire, retain or attempt to hire or retain any employee of such party or in any way interfere with the relationship between such party and any of its employees; provided that the foregoing shall not restrict Amarin in any manner from hiring or offering employment to any former employees of API who are not retained by API or Buyer after the Closing..
- (c) *Modification of Covenant.* If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in Sections 11.6(a) through (b) is invalid or unenforceable, then the parties agree that the court or tribunal will have the power to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Section 11.6 will be enforceable as so modified after the expiration of the time within which the judgment may be appealed. This Section 11.6 is reasonable and necessary to protect and preserve Buyer’s legitimate business interests and the value of the Acquired Assets and to prevent any unfair advantage conferred on Amarin.

## 11.7 CUSTOMER AND OTHER BUSINESS RELATIONSHIPS

After the Closing, Amarin will reasonably cooperate with Buyer in its efforts to continue and maintain for the benefit of Buyer those business relationships of Amarin relative to the Acquired Assets that existed prior to the Closing, including relationships with lessors,

employees, regulatory authorities, licensors, customers, suppliers and others. Amarin will refer to Buyer all inquiries relating to such business.

## 11.8 RETENTION OF AND ACCESS TO RECORDS

After the Closing Date, Buyer shall retain for a period consistent with Buyer’s record-retention policies and practices those Records of Amarin delivered to Buyer. Buyer also shall provide Amarin and their Representatives reasonable access thereto, during normal business hours and on reasonable prior written notice, to enable them to prepare financial statements or tax returns or deal with tax audits.

## 11.9 FURTHER ASSURANCES

Subject to the proviso in Section 7.1, the parties shall cooperate reasonably with each other and with their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the Contemplated Transactions.

## 11.10 CHANGE OF API NAME

After a reasonable transition period following the Closing, but in any event not later than 180 days after the Closing, Buyer shall take all actions required to cause the name of API to be changed such that it no longer contains the words “Amarin Pharmaceuticals,” “Amarin” or any variation thereof.

## 11.11 INVENTORY IDENTIFICATION AND PACKAGING

After Closing, Buyer and API shall be entitled to take delivery of and distribute, sell or otherwise dispose of all Prepackaged Products (as hereinafter defined) without being required to reidentify, remark or otherwise repackage any of the Prepackaged Products to remove or obscure any API or Amarin marks or identifying information. For purposes hereof, “**Prepackaged Products**” means collectively (i) all of API’s Inventory as of Closing, (ii) any Amarin Products reacquired after Closing by API or Buyer from wholesalers or other participants in the distribution network, and (iii) any Amarin Products delivered to API or Buyer by the manufacturers after Closing based on purchase orders submitted by API or Amarin prior to Closing.

## 11.12 LEASES

(a) Buyer shall pay to Amarin the full amount of rent, additional rent and like amounts payable by Amarin for the six-month period following the Closing under the lease between Amarin and LB Strawberry LLC dated August 6, 2001 (as amended) relating to the Mill Valley Facility (the “Mill Valley

Lease”). Payment shall be made on or prior to the dates on which Amarin’s monthly payment obligations under the Mill Valley Lease come due. If Amarin is able

to sublease or assign the Mill Valley Lease to a third party or terminate the Mill Valley Lease prior to the expiration of such six-month period, Buyer’s payment obligations under this Section 11.12(a) shall either (i) be reduced to the extent of the payments actually received by Amarin from, or actually made on behalf of Amarin by, any sub-lessee or assignee or (ii) terminate in the event the lease is terminated.

(b) On or before Closing, Amarin shall pay, or provide funds to API to pay, the full amount of rent, additional rent and like amounts payable by API through the end of the current lease term ending August, 2005 under the lease relating to the New Jersey Facility (the “New Jersey Lease”). Payment shall be made on or prior to the dates on which API’s monthly payment obligations under the New Jersey Lease come due. If API is able to sublease or assign the New Jersey Lease to a third party or terminate the New Jersey Lease prior to the expiration of the term thereof, Amarin’s payment obligations under this Section 11.12(b) shall either (i) be reduced to the extent of the payments actually received by API from, or actually made on behalf of API by, any sub-lessee or assignee or (ii) terminate in the event the lease is terminated.

### 11.13 POST CLOSING ACCESS AND COOPERATION

For a period of three months after the Closing Date, API shall give Amarin and its representatives, without cost to Amarin, reasonable access during normal business hours to the employees retained by API after the Closing, for the purpose of assisting and advising Amarin in connection with its ongoing business. Similarly, during the same period of time, Amarin shall upon request provide Buyer with such advice and consultation as Buyer may reasonably request in connection with facilitating the transition of API to Buyer.

### 11.14 API EMPLOYEES

Amarin shall pay directly, and indemnify Buyer under Section 12.2 against any Third Party Claims related to, all API employee bonuses relative to employment periods ending on or before the Closing Date. API shall pay, and shall retain all Liabilities with respect to, employee bonuses relative to employment periods after the Closing Date.

### 11.15 SEVERANCE PAYMENTS

Buyer shall pay directly or cause API to pay, and shall indemnify Amarin under Section 12.3 against, all severance obligations due to the persons listed on Schedule 11.15 hereto. Buyer shall directly, or cause API to, carry out any severance program strictly in accordance with any applicable terms.

## ARTICLE 12 INDEMNIFICATION; REMEDIES

### 12.1 SURVIVAL

All representations, warranties, covenants and obligations in this Agreement, the Disclosure Schedules, the supplements to the Disclosure Schedules, the certificates delivered pursuant to Section 2.6 and any other certificate or document delivered pursuant to this Agreement shall survive the Closing and the consummation of the Contemplated Transactions, subject to Section 12.6. The right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation; *provided, however*, that no party shall be entitled to indemnification under this Article 12 with respect to the breach of a representation or warranty to the extent such party had actual Knowledge that such representation or warranty was not true and correct when made.

### 12.2 INDEMNIFICATION AND REIMBURSEMENT BY SELLERS

Amarin and APCL will each indemnify and hold harmless Buyer, and its officers, directors, employees and Affiliates (collectively, the “**Buyer Indemnified Persons**”), and will reimburse the Buyer Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys’ fees and expenses) whether or not involving a Third-Party Claim (collectively, “**Damages**”), arising from or in connection with:

- (a) any Breach of any representation or warranty made by Amarin or APCL in (i) this Agreement, (ii) the Disclosure Schedules (other than the Pro Forma Balance Sheet), (iii) the supplements to the Disclosure Schedules, (iv) the certificates delivered pursuant to Section 2.6 (for this purpose, each such certificate will be deemed to have stated that Amarin’s representations and warranties in this Agreement fulfill the requirements of Section 8.1 as of the Closing Date as if made on the Closing Date, (v) any transfer instrument, or (vi) any other certificate, document, writing or instrument delivered by Amarin or APCL pursuant to this Agreement except for the Zelapar Development Agreement, the CRO Agreement (as defined in the Zelapar Development Agreement) and the Repurchase Agreements (collectively, the “Excluded Agreements”), and subject to the further limitation that none of items (ii) through (vi) above shall be deemed to include the API Closing Balance Sheet;
- (b) any Breach of any covenant or obligation of Amarin or APCL in this Agreement or in any other certificate, document, writing or instrument delivered by Amarin or APCL pursuant to this Agreement except for the Excluded Agreements;



- (c) any Liability arising out of the ownership, operation, or use of the PCP Product Assets or Amarin Product Rights prior to the Closing Date, other than the Liabilities of API (described in Section 2.3(b) hereof) and the Assumed Liabilities;
- (d) any brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any Person with Amarin or APCL (or any Person acting on their behalf) in connection with any of the Contemplated Transactions;
- (e) any noncompliance with any fraudulent transfer law in respect of the Contemplated Transactions;
- (f) any Employee Plan established or maintained by Amarin and only if the Damages are a direct result of action or inaction by API that occurred prior to the Closing Date; or
- (g) any Breach of any covenant or obligation of Amarin in any of the Excluded Agreements, but only to the extent that such Breach is a result of the gross negligence or willful misconduct of Amarin.

### 12.3 INDEMNIFICATION AND REIMBURSEMENT BY BUYER

Buyer will indemnify and hold harmless Amarin and its officers, directors, employees and Affiliates (collectively, the "***Seller Indemnified Persons***"), and will reimburse Amarin, for any Damages arising from or in connection with:

- (a) any Breach of any representation or warranty made by Buyer in this Agreement or in any certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;
- (b) any Breach of any covenant or obligation of Buyer in this Agreement or in any other certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;
- (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with Buyer (or any Person acting on Buyer's behalf) in connection with any of the Contemplated Transactions;
- (d) any Assumed Liability;
- (e) any severance payments, or severance payment obligations, to the persons listed on Schedule 11.15 hereto; or

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- (f) any Liability arising out of the ownership, operation, or use of the Acquired Assets after the Closing Date.

### 12.4 LIMITATIONS ON AMOUNT—SELLERS

Sellers shall have no liability (for indemnification or otherwise) with respect to claims under Section 12.2(a) until the total of all Damages with respect to such matters exceeds Two Hundred Fifty Thousand U.S. Dollars (U.S. \$250,000). Thereafter, Sellers shall be liable for all Damages in excess of Two Hundred Fifty Thousand U.S. Dollars (U.S. \$250,000) of Damages. However, this Section 12.4 will not apply to claims under Section 12.2(b) through (g) or to matters arising in respect of Sections 3.3, 4.6, 4.11, or 4.13 or to any Breach of any of Sellers' representations and warranties of which either Seller had Knowledge at any time prior to the date on which such representation and warranty is made or any intentional Breach by either Seller of any covenant or obligation, and Sellers will be liable for all Damages with respect to such Breaches. Notwithstanding anything to the contrary in this Agreement, the aggregate Liability of Sellers to the Buyer Indemnified Parties for indemnification under this Article 12 shall be limited to Seven Million U.S. Dollars (U.S. \$7,000,000).

### 12.5 LIMITATIONS ON AMOUNT—BUYER

Buyer will have no liability (for indemnification or otherwise) with respect to claims under Section 12.3(a) until the total of all Damages with respect to such matters exceeds Two Hundred Fifty Thousand U.S. Dollars (U.S. \$250,000). Thereafter, Buyer shall be liable for all Damages in excess of Two Hundred Fifty Thousand U.S. Dollars (U.S. \$250,000) of Damages. However, this Section 12.5 will not apply to claims under Section 12.3(b) through (d) or to any Breach of any of Buyer's representations and warranties of which Buyer had Knowledge at any time prior to the date on which such representation and warranty is made or any intentional Breach by Buyer of any covenant or obligation, and Buyer will be liable for all Damages with respect to such Breaches. Notwithstanding anything to the contrary in this Agreement, the aggregate Liability of Buyer to the Seller Indemnified Parties for indemnification under this Article 12 shall be limited to Seven Million U.S. Dollars (U.S. \$7,000,000).

### 12.6 TIME LIMITATIONS

- (a) If the Closing occurs, Amarin and APCL will have no liability (for indemnification or otherwise) with respect to any Breach of (i) a covenant or obligation to be performed or complied with prior to the Closing Date or (ii) a representation or warranty (other than those in Sections 3.3, 4.6, 4.11, 4.13, and 4.19, as to which a claim may be made at any time prior to the expiration of the applicable statute of limitations), unless on or before April 1, 2005, Buyer notifies Amarin of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Buyer.
- (b) If the Closing occurs, Buyer will have no liability (for indemnification or otherwise) with respect to any Breach of (i) a covenant or obligation to be performed or complied with prior to the Closing or (ii) a representation or warranty, unless on or before April 1, 2005,

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Amarin notifies Buyer of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Amarin.

### 12.7 RIGHT OF SETOFF

Buyer may set off against amounts otherwise payable to Amarin hereunder, including but not limited to the amounts specified in Sections 2.2(a)(ii) and 2.2(a)(iii), (i) any amount which is due and payable by Amarin under the Zelapar Development Agreement or any Repurchase Agreement, subject to any applicable cure periods set forth in such agreements and excluding any such amounts that Amarin is contesting in good faith, provided that if Buyer exercises its right of set off under this clause (i), the entire amount withheld from Amarin shall be applied toward the payment of the amount then due and payable by Amarin under the Development Agreement or Repurchase Agreement(s), as the case may be, and (ii) any amount to which Buyer may be entitled under this ARTICLE 12 and which amount has been reduced to a final non-appealable judgment. Neither the exercise of nor the failure to exercise such right of setoff will constitute an election of remedies or limit Buyer in any manner in the enforcement of any other remedies that may be available to it.

## 12.8 THIRD-PARTY CLAIMS

- (a) Promptly after receipt by a Person entitled to indemnity under Section 12.2 or 12.3 (an “**Indemnified Person**”) of notice of the assertion of a Third-Party Claim against it, such Indemnified Person shall give notice to the Person obligated to indemnify under such Section (an “**Indemnifying Person**”) of the assertion of such Third-Party Claim, provided that the failure to notify the Indemnifying Person will not relieve the Indemnifying Person of any liability that it may have to any Indemnified Person, except to the extent that the Indemnifying Person demonstrates that the defense of such Third-Party Claim is actually and materially prejudiced by the Indemnified Person’s failure to give such notice.
- (b) If an Indemnified Person gives notice to the Indemnifying Person pursuant to Section 12.8(a) of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and in the opinion of counsel to the Indemnified Person there is a reasonable likelihood of a conflict of interest between the Indemnifying Person and the Indemnified Person or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel reasonably satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this ARTICLE 12 for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, the Indemnifying Person shall have full control of such defense and

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proceedings, including any compromise or settlement thereof, provided that no compromise or settlement of such Third-Party Claims may be effected by the Indemnifying Person without the Indemnified Person’s Consent, which shall not be unreasonably withheld or delayed; provided further that the Indemnified Person’s Consent shall not be required if (A) there is no finding or admission of any violation of Legal Requirement or any violation of the rights of any Person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claims effected without its Consent. If requested by the Indemnifying Person, the Indemnified Person agrees, at its own cost and expense, to cooperate with the Indemnifying Person and its counsel in contesting any Third Party Claim which the Indemnifying Person elects to contest, including the making of any related counterclaim against the Person asserting the Third Party Claim or any cross complaint against any Person. If notice is given to an Indemnifying Person of the assertion of any Third-Party Claim and the Indemnifying Person does not, within sixty (60) days after the Indemnified Person’s notice is given, give notice to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnified Party shall have full control of such defense and proceedings, including any compromise or settlement thereof, provided that no compromise or settlement of such Third-Party Claims may be effected by the Indemnified Party without the Indemnifying Person’s consent, which shall not be unreasonably withheld or delayed.

- (c) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may materially and adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying Person will not be bound by any determination of any Third-Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its Consent (which may not be unreasonably withheld).
- (d) With respect to any Third-Party Claim subject to indemnification under this ARTICLE 12: (i) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Proceedings at all stages thereof where such Person is not represented by its own counsel, and (ii) the parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.
- (e) With respect to any Third-Party Claim subject to indemnification under this ARTICLE 12, the parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information and the attorney-client and work-product privileges. In connection therewith, each party agrees that: (i) it will use its Best Efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with

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applicable law and rules of procedure), and (ii) all communications between any party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

## 12.9 OTHER CLAIMS

A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the party from whom indemnification is sought and shall be paid promptly after such notice.

## 12.10 INDEMNIFICATION IN CASE OF STRICT LIABILITY OR INDEMNITEE NEGLIGENCE

THE INDEMNIFICATION PROVISIONS IN THIS ARTICLE 12 SHALL BE ENFORCEABLE REGARDLESS OF WHETHER THE LIABILITY IS BASED UPON PAST, PRESENT OR FUTURE ACTS, CLAIMS OR LEGAL REQUIREMENTS (INCLUDING ANY PAST, PRESENT OR FUTURE BULK SALES LAW, ENVIRONMENTAL LAW, FRAUDULENT TRANSFER ACT, OCCUPATIONAL SAFETY AND HEALTH LAW OR PRODUCTS LIABILITY, SECURITIES OR OTHER LEGAL REQUIREMENT) AND REGARDLESS OF WHETHER ANY PERSON (INCLUDING THE PERSON FROM WHOM INDEMNIFICATION IS SOUGHT) ALLEGES OR PROVES THE SOLE OR CONCURRENT STRICT LIABILITY IMPOSED UPON THE PERSON SEEKING INDEMNIFICATION.

## ARTICLE 13 CONFIDENTIALITY

### 13.1 DEFINITION OF CONFIDENTIAL INFORMATION

- (a) As used in this ARTICLE 13 the term “**Confidential Information**” includes any and all of the following information of Amarin or Buyer that has been or may hereafter be disclosed in any form, whether in writing, orally, electronically or otherwise, or otherwise made available by observation, inspection or otherwise by either party (Buyer on the one hand or Amarin on the other hand) or its Representatives (collectively, a “**Disclosing Party**”) to the other party or its Representatives (collectively, a “**Receiving Party**”):
- (i) all information that is a trade secret under applicable trade secret or other law;
  - (ii) all information concerning product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer hardware, Software and computer software and database technologies, systems, structures and architectures;
  - (iii) all information concerning the business and affairs of the Disclosing Party (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants’ materials, historical, current and projected

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sales, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however documented), and all information of any nature obtained from review of the Disclosing Party’s documents or property or discussions with the Disclosing Party regardless of the form of the communication; and

- (iv) all notes, analyses, compilations, studies, summaries and other material prepared by the Receiving Party to the extent containing or based, in whole or in part, upon any information included in the foregoing.
- (b) Any trade secrets of a Disclosing Party shall also be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a Disclosing Party deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this ARTICLE 13, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this ARTICLE 13 to the extent included within the definition. In the case of trade secrets, each of Buyer and Amarin hereby waives any requirement that the other party submit proof of the economic value of any trade secret or post a bond or other security.

### 13.2 RESTRICTED USE OF CONFIDENTIAL INFORMATION

- (a) Each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information (i) shall be kept confidential by the Receiving Party using at least the same degree of care that the Receiving Party uses to protect its own proprietary information; (ii) shall not be used for any reason or purpose other than to evaluate and consummate the Contemplated Transactions; and (iii) without limiting the foregoing, shall not be disclosed by the Receiving Party to any Person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of an authorized officer of Amarin with respect to Confidential Information of Amarin (each, a “**Amarin Contact**”) or an authorized representative of Buyer with respect to Confidential Information of Buyer (each, a “**Buyer Contact**”). Each of Buyer and Amarin shall disclose the Confidential Information of the other party only to its Representatives who reasonably require such material for the purpose of evaluating the Contemplated Transactions and are informed by Buyer or Amarin, as the case may be, of the obligations of this ARTICLE 13 with respect to such information. Each of Buyer, Amarin and Shareholders shall (i) enforce the terms of this ARTICLE 13 as to its respective Representatives; (ii) take such action to the extent necessary to cause its Representatives to comply with the terms and conditions of this ARTICLE 13 and (iii) be responsible and liable for any breach of the provisions of this ARTICLE 13 by it or its Representatives.

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- (b) From and after the Closing, the provisions of Section 13.2(a) above shall not apply to or restrict in any manner Buyer’s use of any Confidential Information of Amarin relating to any of the Acquired Assets or the Assumed Liabilities.

### 13.3 EXCEPTIONS

Section 13.2(a) does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates (a) was, is or becomes generally available to the public other than as a result of a breach of this ARTICLE 13 or the Confidentiality Agreement by the Receiving Party or its Representatives; (b) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (c) was, is or becomes available to the Receiving Party on a nonconfidential basis from a Third Party not bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure.

## 13.4 LEGAL PROCEEDINGS

If a Receiving Party becomes compelled in any Proceeding or is requested by a Governmental Body having regulatory jurisdiction over the Contemplated Transactions to make any disclosure that is prohibited or otherwise constrained by this ARTICLE 13, that Receiving Party shall provide the Disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this ARTICLE 13. In the absence of a protective order or other remedy, the Receiving Party may disclose that portion (and only that portion) of the Confidential Information of the Disclosing Party that, based upon advice of the Receiving Party's counsel, the Receiving Party is legally compelled to disclose or that has been requested by such Governmental Body; *provided, however*, that the Receiving Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed. The provisions of this Section 13.4 do not apply to any Proceedings between the parties to this Agreement.

## 13.5 RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION

If this Agreement is terminated, each Receiving Party shall (a) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (b) promptly deliver to the Disclosing Party all other Confidential Information of the Disclosing Party, together with all copies thereof, in the possession, custody or control of the Receiving Party or, alternatively, with the written consent of a Amarin Contact or a Buyer Contact (whichever represents the Disclosing Party) destroy all such Confidential Information; and (c) certify all such destruction in writing to the Disclosing Party; *provided, however*, that the Receiving Party may retain a list that contains general descriptions of the information it has returned or destroyed to facilitate the resolution of any controversies after the Disclosing Party's Confidential Information is returned.

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## 13.6 ATTORNEY-CLIENT PRIVILEGE

The Disclosing Party is not waiving, and will not be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges as a result of disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The parties (a) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (b) are or may become joint defendants in Proceedings to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should either party become subject to any actual or threatened Proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the Closing the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim or contend, in Proceedings involving either party or otherwise, that any Disclosing Party waived any of its attorney work-product protections, attorney-client privileges or similar protections and privileges with respect to any information, documents or other material not disclosed to a Receiving Party due to the Disclosing Party disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party.

## ARTICLE 14 GENERAL PROVISIONS

### 14.1 EXPENSES

Except as otherwise provided in this Agreement, each party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its Representatives. Buyer will pay the HSR Act filing fee. If this Agreement is terminated, the obligation of each party to pay its own fees and expenses will be subject to any rights of such party arising from a Breach of this Agreement by another party.

### 14.2 PUBLIC ANNOUNCEMENTS

Any public announcement, press release or similar publicity with respect to this Agreement or the Contemplated Transactions will be issued, if at all, at such time and in such manner as Buyer and Amarin jointly determine. Except with the prior consent of Buyer or as permitted by this Agreement, neither Amarin, API nor any of their Representatives shall disclose to any Person (a) the fact that any Confidential Information of Amarin has been disclosed to Buyer or its Representatives, that Buyer or its Representatives have inspected any portion of the Confidential Information of Amarin, that any Confidential Information of Buyer has been disclosed to Amarin, API or their Representatives or that Amarin, API or their Representatives have inspected any portion of the Confidential Information of Buyer or (b) any information about the Contemplated Transactions, including the status of such discussions or negotiations, the execution of any documents (including this Agreement) or any of the terms of the Contemplated

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Transactions or the related documents (including this Agreement). Amarin and Buyer will consult with each other concerning the means by which Amarin's and API's employees, customers, suppliers and others having dealings with Amarin and API will be informed of the Contemplated Transactions, and Buyer will have the right to be present for and to participate in or otherwise approve in advance any such communication.

### 14.3 NOTICES

All notices, Consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

Amarin and APCL: Amarin Corporation plc

7 Curzon Street  
London W1J 5HG  
Attention: General Counsel  
Fax no.:  
E-mail address:

with a copy to: Mr. Richard A.B. Stewart:  
7 Curzon Street  
London W1J 5HG  
Fax no.:  
E-mail address:

Buyer: Valeant Pharmaceuticals International  
3300 Hyland Avenue  
Costa Mesa, California 92626  
Attention: Mr. Wesley P. Wheeler  
Fax no.:  
E-mail address:

with a copy to: Valeant Pharmaceuticals International  
3300 Hyland Avenue  
Costa Mesa, California 92626  
Attention: General Counsel  
Fax no.: 714/641-7274  
E-mail address:

#### **14.4 JURISDICTION; SERVICE OF PROCESS**

Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction may be brought in the courts of the State of California in Orange County, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of California, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court and agrees not to bring any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction in any other court. The parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this Section may be served on any party anywhere in the world.

#### **14.5 WAIVER OF JURY TRIAL**

THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

#### **14.6 ENFORCEMENT OF AGREEMENT**

Amarin acknowledges and agrees that Buyer would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any Breach of this Agreement by Amarin could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which Buyer may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent Breaches or threatened Breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

#### **14.7 WAIVER; REMEDIES CUMULATIVE**

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power or

privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

**14.8 ENTIRE AGREEMENT AND MODIFICATION**

This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter (including any letter of intent and any confidentiality agreement between Buyer and Amarin) and constitutes (along with the Disclosure Schedules, Exhibits and other documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

**14.9 DISCLOSURE SCHEDULES**

Any disclosure under one Schedule of the Disclosure Schedules shall be deemed disclosure under all Schedules of the Disclosure Schedules and this Agreement. Disclosure of any matter in the Disclosure Schedules shall not constitute an expression of a view that such matter is material or is required to be disclosed pursuant to this Agreement.

**14.10 ASSIGNMENTS, SUCCESSORS AND NO THIRD-PARTY RIGHTS**

No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties, except that Buyer may assign any of its rights and delegate any of its obligations under this Agreement to any Subsidiary of Buyer. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section 14.10.

**14.11 SEVERABILITY**

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

**14.12 CONSTRUCTION**

The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to “Articles,” “Sections” and “Schedules” refer to the corresponding Articles, Sections and Schedules of this Agreement and the Disclosure Schedules.

**14.13 TIME OF ESSENCE**

With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

**14.14 GOVERNING LAW**

This Agreement will be governed by and construed under the laws of the State of California without regard to conflicts-of-laws principles that would require the application of any other law.

**14.15 EXECUTION OF AGREEMENT**

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SELLER:

AMARIN CORPORATION PLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUYER:

VALEANT PHARMACEUTICALS INTERNATIONAL

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**EXHIBIT A**

Purchase Price Allocation

<b>Amarin Products and Rights</b>		
Zelapar Rights*	\$	16.0 million
Permax® Rights	\$	18.4 million
PCP Products and Rights	\$	10.0 million
API Shares	\$	1.6 million
<b>TOTAL</b>	<b>\$</b>	<b>46.0 million</b>

\* Reflects the allocation to the Zelapar Rights of the payment in full of the deferred conditional payments provided for under Section 2.3(a)(ii) and 2.2(a)(iii).

**EXHIBIT B**

Zelapar Development Agreement

SCHEDULES—Asset Purchase Agreement  
 CONFIDENTIAL

**ASSET PURCHASE AGREEMENT**

**VALEANT—AMARIN**

**SCHEDULES**

**ANY CROSS-REFERENCES ARE FOR CONVENIENCE ONLY AND DO NOT AFFECT DISCLOSURE FOR ALL PURPOSES IN A SINGLE SCHEDULE**

**SCHEDULE 2.7**

API Pro Forma Closing Balance Sheet

**Amarin Pharmaceuticals, Inc.**  
**Balance Sheet**

Unaudited	12/31/2003	Forecast		NJ	Payroll	Mill	Cash	Adjustments		Agency	Write off	2/29/2004	Impact	Valeant	After buy-
		1/31/2004	2/29/2004	Lease	tax	Valley	from	Agency pre-closing		Jan +	balance	On closing	of Buy-	fair	back
					w/off	lease	PLC	Pre '03	2003	Feb			Back	value	2/29/2004
<b>ASSETS</b>															
<b>Current assets:</b>															
Cash in Bank Chase	[ * ]	[ * ]	[ * ]				[ * ]			[ * ]	[ * ]	[ * ]			[ * ]
Petty Cash	[ * ]	[ * ]	[ * ]									[ * ]			[ * ]
Accounts Receivable	[ * ]	[ * ]	[ * ]								[ * ]	[ * ]			[ * ]
Due from Elan	[ * ]	[ * ]	[ * ]									[ * ]			[ * ]
Allowance For Doubtful Account	[ * ]	[ * ]	[ * ]									[ * ]			[ * ]
Allowance For Chargebacks	[ * ]	[ * ]	[ * ]									[ * ]	[ * ]		[ * ]
Allowance For Cash Discounts	[ * ]	[ * ]	[ * ]									[ * ]			[ * ]
Provision for Sales Returns	[ * ]	[ * ]	[ * ]									[ * ]	[ * ]		[ * ]
Inventory E/G	[ * ]	[ * ]	[ * ]									[ * ]		[ * ]	[ * ]
Inventory R/M	[ * ]	[ * ]	[ * ]									[ * ]			[ * ]





Office Lease dated as of August 6, 2001, as amended May 31, 2002, between Bently Holdings, LLC, as successor to LB Strawberry LLC (Landlord), and Amarin Corporation, plc (Tenant)

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### SCHEDULE 3.6

#### Absence of Certain Changes and Events

1. During 2003, Amarin took steps to reduce the buildup of inventory, an issue identified in its 20F filing for 2002, e.g., at pages 6-7 (Risk Factors), and pages 38-39 (—Revenue). As a result, Amarin has reduced, throughout the course of the year, the amount of discounts and incentives previously offered to non-contract wholesale purchasers of Amarin products. In early 2003, those special incentives, which in 2002 ranged from [ \* ]% to a high of [ \* ]% off of WAC price, were generally reduced to [ \* ]% off of WAC (not including the prompt payment discount noted below). By year end 2003, even the reduced [ \* ]% discount was virtually eliminated with respect to all Amarin products. The result has been to reduce sales, and therefore the amount of inventory of Amarin Products in the wholesaler trade channel, although reduced and/or seasonal demand and the impact of generic competition has in some cases affected the total amount of inventory in the trade channel. As noted, the foregoing excludes managed care and government purchasing organizations having a written rebate, chargeback or discount contract in place, where Amarin continues to honor contract terms. Amarin continues to provide its standard prompt payment discount on [ \* ]%-net [ \* ] terms.
2. Also in 2003, Amarin took other steps to improve its position relative to its trade risks. For example, Amarin announced a change in its returns policy, whereby Amarin reserves the right to replace expired product with fresh product, rather than providing a credit to customers. Amarin also announced that it reserves the right to replace any such product (or, in the case of providing credit) at the customer's actual purchase price, rather than at full WAC. Not all of Amarin's customers have agreed with those changes in policy, and have asserted contrary policies of their own. Negotiations are conducted ad hoc as needed to address variances in policy between buyer and seller, with varying outcomes.
3. In a further effort to gain greater certainty over levels of Amarin Products in the trade channel, since January 1, 2003, Amarin has not sold any product to Quality King, a customer known as a secondary purchaser and reseller of pharmaceutical products.
4. During 2003, Amarin experienced an out-of-stock situation for the better part of the year regarding Capital & Codeine, due to a product recall issued by its manufacturer and the necessary transition to a new supplier (see Schedule 3.11 below). Back orders were cancelled and the product was reintroduced in Q4'03.
5. During 2003, Amarin experienced an out-of-stock situation with respect to the 100 count bottle of Nolahist, due to the manufacturer of the active pharmaceutical ingredient discontinuing that manufacture. The 24 count box of Nolahist remains available. Further production of bulk active ingredient for future manufacture would depend on scale-up and validation of the potential new manufacturer. See Schedule 4.16, below.
6. In 2003, Amarin took price increases on the PCP Products effective in early 2003, in amounts that were in some cases significant. No further price increases have been taken since then on the PCP Products. In 2003, Amarin did not take a price increase on Permax in light of the entry of generic competition and the potential impact on cost of goods under the Eli Lilly/Amarin License Agreement.
7. During 2003, following the introduction of generic pergolide into the market, Amarin discontinued its indigent patient assistance program.

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### SCHEDULE 3.7

#### Intellectual Property

(b) The Ivax Settlement Agreement contains a sublicense of patent rights licensed to Amarin by Eli Lilly under the Eli Lilly/Amarin License Agreement as a part of settling patent litigation relating to the Ivax generic pergolide product. See Schedule 3.11 below.

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### SCHEDULE 3.8

#### Legal Proceedings; Orders - Buyer

(a)(i) As initially described in Amarin's 20F for 2002, e.g., at page 23 (P—ermax), certain claims have been asserted alleging product liability or similar claims against Amarin and/or API and other parties based on alleged valvular heart disease occurring in patients taking Permax. See Schedule 4.15 below for an update on the individual claims known to date. In connection with all of the foregoing and any additional VHD or other product liability matters pertaining to Permax, Amarin would assert all available legal or factual defenses and counterclaims. In addition, under the terms of the Eli Lilly/Amarin License Agreement, Amarin believes that it would be entitled to indemnity or contribution from Lilly and/or Elan, depending on the circumstances of each claim, and also would assert all available defenses, including those available as the non-manufacturing distributor of the product. Amarin has previously agreed in principle with Lilly that Lilly shall take the primary role in conducting the defense of any VHD cases that may arise. Amarin and Lilly have discussed, and a first draft circulated, a Tolling Agreement by which Amarin and Lilly would agree to hold in abeyance any claims they may have against each other under relevant documents or principles, pending the outcome of negotiations. Amarin has been represented in these discussions by separate outside counsel, Gordon & Rees, of San Francisco. As a part of obtaining Lilly's

consent to the assignment of the Permax license agreement, Amarin, Lilly and Valeant have agreed in principle on an amendment to that agreement which provides for, among other things, an apportionment between Lilly and Valeant of any costs associated with product liability going forward. While Amarin believes that it has recourse to Elan, its assignor, and/or Lilly, the manufacturer and holder of the NDA for the product, in connection with any ultimate liability Amarin may have to one or more plaintiffs in these matters, there can be no assurance that Amarin will be able to recoup all or any part of any such liability.

(ii) On April 1, 2001, Amarin entered into a copromotion agreement with TEAMM Pharmaceuticals for the copromotion by TEAMM of Motofen and Bontril. TEAMM's obligations were never fulfilled and, over the course of the second half of 2002, communications took place regarding the parties' respective obligations, with each party alleging nonperformance by the other and claiming certain amounts to be due from the other. Those communications culminated in Amarin's notice of termination dated October 4, 2002, to TEAMM terminating the agreement for good cause, effective on or about January 5, 2003. The agreement contains provisions for arbitration in the event of a dispute. No further communication has been received from TEAMM since that letter was sent, well over one year ago. While it appears unlikely that TEAMM would now assert any claims associated with the agreement, there can be no assurance that TEAMM would not do so, or that if such claims would not be successful if asserted.

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**SCHEDULE 3.9**

**PRODUCT REGISTRATIONS**

<b>Product</b>	<b>Indication</b>	<b>ANDA/NDA (held by Amarin unless indicated otherwise)</b>	<b>Manufacturer</b>
Bontril® SR	Anti-obesity	ANDA– [ * ]	[ * ]
Bontril® PDM	Anti-obesity	ANDA	[ * ]
Phrenilin®	Tension Headache	ANDA	[ * ]
Phrenilin® Forte	Tension Headache	ANDA	[ * ]
Phrenilin® with Caffeine and Codeine	Tension Headache	ANDA	[ * ]
Motofen®	Anti-diarrheal	NDA	[ * ]
Capital™ & Codeine	Mild to moderate pain	ANDA	[ * ]
Nolahist®	Allergy	OTC	[ * ]

**DISCONTINUED PRODUCTS**

Hydrocet®	Mild to moderate pain	ANDA– [ * ]	(Discontinued – 2002)
Salflex®	Arthritic pain	Pre-1962 product	(Discontinued – 2001)
Theo-X™	Asthma	ANDA – [ * ]	(Discontinued – 1999)
Amen®	Secondary amenorrhea	ANDA	(Discontinued – 1998)
Nolamine™	Nasal congestion	Withdrawn	(Discontinued2—2001)
Propagest™	Nasal congestion	Withdrawn	(Discontinued2—2001)
Exgest™	Nasal congestion	Withdrawn	(Discontinued2—2001)
Sinulin™	Sinus congestion	Withdrawn	(Discontinued2—2001)

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**SCHEDULE 3.10**

**Brokers or Finders**

SG Cowen

Madison Keats

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## SCHEDULE 4.1

### Organization and Good Standing

- (a) API is incorporated in Delaware. API is qualified to do business as a foreign corporation in California.

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## SCHEDULE 4.2

### Enforceability; Authority; No Conflict - Seller

- (b) Consents to one or more of the Contemplated Transactions may be required from the following:
- a. Elan Corporation, plc, holder of a first security interest, floating charge and lien upon all or substantially all of the assets of Amarin and API including the Product Rights, and grantor of present option rights for Zelapar
  - b. Scherer/Cardinal—Zelapar
  - c. Eli Lilly and Company (Lilly)—Permax (in Amarin’s view, outright consent not strictly required to assign under the Contemplated Transactions; Lilly disagrees. In any event, an agreement in principle for the consent of Lilly to the assignment has been reached, as described elsewhere in these Schedules.
  - d. While consent to the Transactions is not required, there are change of control provisions requiring notice and/or treatment as a contract assignment, with consent to the particular contract or a right of termination, in the following agreements to which API is a party:
    - i. Caremark, Inc.
    - ii. New Jersey office lease
    - iii. Baker Hill/Inspired Design
    - iv. Product Liability Insurance Policy

In addition, several of the government purchasing contracts at API provide for automatic “assignment” of the agreement to the new owner in the case of a change of control. Copies of all of these agreements have been provided to Buyer.

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## SCHEDULE 4.4

### Amarin Interim Balance Sheet

### Amarin Pharmaceuticals, Inc. Balance Sheet As At December 31, 2003 and 2002

Unaudited

	<u>12/31/2003</u>	<u>12/31/2002</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash in Bank Chase	[ * ]	[ * ]
Petty Cash	[ * ]	[ * ]
Accounts Receivable	[ * ]	[ * ]
Accounts Receivable Other	[ * ]	[ * ]
Due from Elan	[ * ]	[ * ]
Allowance For Doubtful Account	[ * ]	[ * ]
Allowance For Chargebacks	[ * ]	[ * ]
Allowance For Cash Discounts	[ * ]	[ * ]
Provision for Sales Returns	[ * ]	[ * ]
Inventory F/G	[ * ]	[ * ]
Inventory R/M	[ * ]	[ * ]
Inventory Sample	[ * ]	[ * ]
Reserve for Inventory Loss	[ * ]	[ * ]
Provision for Permax Returns	[ * ]	[ * ]
Prepayments	[ * ]	[ * ]
Total current assets	[ * ]	[ * ]

Fixed assets:

Office Equipment	[ * ]	[ * ]
Office Furnishings	[ * ]	[ * ]
Lease Improvements	[ * ]	[ * ]
Computer Software	[ * ]	[ * ]
Tooling	[ * ]	[ * ]
Less accumulated depreciation	[ * ]	[ * ]
	[ * ]	[ * ]
Other assets:		
Security Deposits	[ * ]	[ * ]
	[ * ]	[ * ]
	[ * ]	[ * ]

**LIABILITY AND SHAREHOLDER'S EQUITY**

Current liabilities:		
Accounts Payable	[ * ]	[ * ]
Medicaid Rebates Payable	[ * ]	[ * ]
MHC Rebates Payable	[ * ]	[ * ]
Accrued Expenses	[ * ]	[ * ]
Accrued Payroll Taxes	[ * ]	[ * ]
Accrued Employee Benefits	[ * ]	[ * ]
Accrued To Elan	[ * ]	[ * ]
A/P Clearing	[ * ]	[ * ]
NJ Restructure	[ * ]	[ * ]
PCC Write Off	[ * ]	[ * ]
Total current liabilities	[ * ]	[ * ]
Long term liabilities:		
Due to Amarin PLC Intercompany	[ * ]	[ * ]
	[ * ]	[ * ]
Shareholder's equity:		
Retained Earnings	[ * ]	[ * ]
Profit (loss) for period	[ * ]	[ * ]
Total shareholder's equity	[ * ]	[ * ]
	[ * ]	[ * ]

**SCHEDULE 4.6**

Permitted Encumbrances

Elan Corporation, plc, or its affiliated entities (together, "Elan") have a first priority security interest, charge and encumbrance on the Purchased Assets (the "Elan Charge") which shall be released on or prior to the Closing Date.

The offices presently occupied by API and subleased from Amarin at Two Belvedere Place, Suite 330, Mill Valley, California, are the subject of a lease from Bently Holdings, LLC, as lessor, to Amarin, as lessee.

API previously occupied offices in Warren, New Jersey, at 25 Independence Boulevard. API vacated those offices in late 2002, following the closure of its NJ facility. API remains obligated for the balance of that lease term in favor of the landlord, Glenborough Fund VII, LLC. While discussions regarding possible subleases have occurred, there is no agreement to do so at this time.

API rents certain office machines in its Mill Valley location from IKON Office Solutions, and remains subject to that rental agreement.

See Schedule 3.11 regarding the IVAX sublicense regarding Permax patent rights.

Watson Pharmaceuticals Inc. has a floating charge over the Acquired Assets ranking second in priority to the Elan Charge. Amarin has secured insurance in Watson's favor to augment Amarin's position that the covenants in the Watson agreement have been complied with.

API currently provides leased cars to its field personnel through a fleet lease agreement with Wheels, Inc.

**SCHEDULE 4.7**

Condition and Sufficiency of Assets

Certain of Amarin's leased cars may be at or beyond their normal replacement mileage (typically, 60,000 miles).

**SCHEDULE 4.8**

Accounts Receivable

As reflected in API's Interim Balance Sheet and the attached Schedule, API has reserved certain amounts to reflect potential returns or other claims potentially asserted by certain customers with respect to the accounts receivable carried on the books of API.

**SCH 4.8 Accounts Receivable**

**A/R Customer Balances  
December 31, 2003**

Ref-ID	Date	Type	Balance	Current	1-30	31-60	61-90	91-120	120+
MAR001		MARTEK PHARMACAL CO- AP	\$ [ * ]	\$ [ * ]					
MCK001		MCKESSON DRUG CO	\$ [ * ]	\$ [ * ]		\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]
TRU001		TRUXTON INCORPORATED	\$ [ * ]	\$ [ * ]	\$ [ * ]				
WAL002		WALSH DOHMEN SOUTHEAST	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]			\$ [ * ]
KIN003		KINRAY DRUG COMPANY	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]			
CEN001		DROG CENTRAL	\$ [ * ]	\$ [ * ]	\$ [ * ]				
DRO001		DROG BETANCES	\$ [ * ]	\$ [ * ]	\$ [ * ]				
SMI001		SMITH DRUG COMPANY	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]			
HDS001		H D SMITH WHOLESALE DRUG	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]			
NCM001		NORTH CAROLINA MUTUAL WHOLESALE	\$ [ * ]	\$ [ * ]					
AME009		AMERISOURCEBERGEN CORP	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]
CAR001		CARDINAL DISTRIBUTION	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]
MOR001		MORRIS & DICKSON CO	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]
WAL027		WALGREEN CO	\$ [ * ]	\$ [ * ]	\$ [ * ]				
ROC001		ROCHESTER DRUG	\$ [ * ]	\$ [ * ]	\$ [ * ]		\$ [ * ]		
PRE001		PRESCRIPTION SUPPLY INC	\$ [ * ]	\$ [ * ]					
FMC001		FMC DISTRIBUTORS, INC	\$ [ * ]	\$ [ * ]		\$ [ * ]			\$ [ * ]
MCQ001		MCQUEARY BROTHERS DRUG	\$ [ * ]	\$ [ * ]	\$ [ * ]		\$ [ * ]	\$ [ * ]	\$ [ * ]
WAL011		WALMART WHSE #01	\$ [ * ]	\$ [ * ]					\$ [ * ]
CAB001		DROGUERIA CABALLERO DEL CARIB	\$ [ * ]	\$ [ * ]					\$ [ * ]
All Others			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]
<b>TOTAL</b>			<b>\$ [ * ]</b>	<b>\$ [ * ]</b>	<b>\$ [ * ]</b>	<b>\$ [ * ]</b>	<b>\$ [ * ]</b>	<b>\$ [ * ]</b>	<b>\$ [ * ]</b>

Excludes Intercompany receivable with Amarin PLC

Accounts Receivables  
Customer Balances  
12/31/2003

	<u>Our Books</u>	<u>Customer's Books</u>	<u>Difference</u>
Cardinal	[ * ]	[ * ]	[ * ]
McKesson	[ * ]	[ * ]	[ * ]
Amerisource-Bergen	[ * ]	[ * ]	[ * ]
	[ * ]	[ * ]	[ * ]
<b>A/R Reserve</b>			
Cardinal	[ * ]		
McKesson	[ * ]		
AmeriSource Bergen	[ * ]		
General	[ * ]		
<b>AR Reserve:</b>	[ * ]		

Note: We have ongoing discussions with cardinal regarding several issues. We believe that they have priced returns of PCC incorrectly. They have taken credit on some [ \* ] units at full WAC of \$[ \* ] per unit, when they paid \$[ \* ] per unit. There is no guarantee that we will receive a credit for these amounts.

In addition we have ongoing discussions with McKesson, Bergen and Cardinal regarding deductions that they have taken which we do not recognize primarily relating to partial returns and returns they sent to a third party for destruction. We have no guarantee that we will get credit for all or any of these amounts.

Accordingly we have provided for a reserve assuming that we will agree to and settle the balances shown in their books of account.

SCHEDULE 4.9

Inventory

SCH 4.9a Inventory by product

Item Valuation by Item with Location Detail

For Fiscal Year/Period: 2003

Period Ending:	12/31/2003	Closing units	Closing \$ at 12-31-03	Excess/reserve	Net Inventory
<b>RAWMAT</b>	<b>I/C Raw Materials</b>				
<b>BUTL00000</b>	<b>Butalbital</b>				
2	West-Ward Pharmaceuticals	[ * ]	[ * ]	[ * ]	[ * ]
<b>BUTL00000</b>		[ * ]	[ * ]		
<b>DIFE00000</b>	<b>Difenoxin</b>				
14	Lannett Company	[ * ]	[ * ]		
2	West-Ward Pharmaceuticals	[ * ]	[ * ]	[ * ]	[ * ]
30	N/A	[ * ]	[ * ]		
<b>DIFE00000</b>		[ * ]	[ * ]		
<b>INSR00000</b>	<b>Phrenilin/Phrenilin Forte Outsert</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
3	Tyco Healthcare/Mallinckrodt	[ * ]	[ * ]		
<b>INSR00000</b>		[ * ]	[ * ]		[ * ]
<b>INSR04616</b>	<b>Capital &amp; Codiene 16oz</b>				
15	Hi-Tech Pharmacial Co. Inc.	[ * ]	[ * ]		
<b>INSR04616</b>		[ * ]	[ * ]		[ * ]
<b>INSR04700</b>	<b>Bontril SR Insert</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
25	Pharmagistics	[ * ]	[ * ]		
3	Tyco Healthcare/Mallinckrodt	[ * ]	[ * ]		
<b>INSR04700</b>		[ * ]	[ * ]		[ * ]
<b>INSR04800</b>	<b>Bontril PDM Insert</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
3	Tyco Healthcare/Mallinckrodt	[ * ]	[ * ]		
<b>INSR04800</b>		[ * ]	[ * ]		[ * ]
<b>INSR06100</b>	<b>Phrenilin CC Insert</b>				
11	West-Ward Pharmaceuticals	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
3	Tyco Healthcare/Mallinckrodt	[ * ]	[ * ]		
5	Test Pak	[ * ]	[ * ]		
<b>INSR06100</b>		[ * ]	[ * ]	[ * ]	[ * ]
<b>INSR07400</b>	<b>Motofen Insert</b>				
11	West-Ward Pharmaceuticals	[ * ]	[ * ]		
16	Lark Fulfillment	[ * ]	[ * ]		
<b>INSR07400</b>		[ * ]	[ * ]		[ * ]
<b>LABL04616</b>	<b>Capital &amp; Codiene 16oz</b>				
15	Hi-Tech Pharmacial Co. Inc.	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
<b>LABL04616</b>		[ * ]	[ * ]		[ * ]
<b>LABL04710</b>	<b>Bontril SR 100 Label</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
3	Tyco Healthcare/Mallinckrodt	[ * ]	[ * ]		

<b>LABL04710</b>			[ * ]	[ * ]	[ * ]
<b>LABL04790</b>	<b>Bontril SR 1000 Label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
<b>LABL04790</b>			[ * ]	[ * ]	[ * ]
<b>LABL04810</b>	<b>Bontril PDM 100 Label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
<b>LABL04810</b>			[ * ]	[ * ]	[ * ]
<b>LABL04890</b>	<b>Bontril PDM 1000 Label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
<b>LABL04890</b>			[ * ]	[ * ]	[ * ]
<b>LABL05010</b>	<b>Phrenilin 100 label</b>				
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
5	Test Pak		[ * ]	[ * ]	
<b>LABL05010</b>			[ * ]	[ * ]	[ * ]
<b>LABL05050</b>	<b>Phrenilin 500 label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
5	Test Pak		[ * ]	[ * ]	
<b>LABL05050</b>			[ * ]	[ * ]	[ * ]
<b>LABL05210</b>	<b>Nolahist 100 Label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	[ * ]
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	[ * ]
5	Test Pak		[ * ]	[ * ]	
<b>LABL05210</b>			[ * ]	[ * ]	
<b>LABL05610</b>	<b>Phrenilin Forte 100 Label</b>				
14	Lannett Company		[ * ]	[ * ]	
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
<b>LABL05610</b>			[ * ]	[ * ]	[ * ]
<b>LABL05650</b>	<b>Phrenilin Forte 500 Label</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
3	Tyco Healthcare/Mallinckrodt		[ * ]	[ * ]	
<b>LABL05650</b>			[ * ]	[ * ]	[ * ]
<b>LABL06110</b>	<b>Phrenilin CC Label</b>				
11	West-Ward Pharmaceuticals		[ * ]	[ * ]	
<b>LABL06110</b>			[ * ]	[ * ]	[ * ]
<b>LABL07405</b>	<b>Motofen 50 Label</b>				
11	West-Ward Pharmaceuticals		[ * ]	[ * ]	
<b>LABL07405</b>			[ * ]	[ * ]	[ * ]
<b>LABL07410</b>	<b>Motofen 100 Label</b>				
11	West-Ward Pharmaceuticals		[ * ]	[ * ]	
14	Lannett Company		[ * ]	[ * ]	
COM001	Comar		[ * ]	[ * ]	
<b>LABL07410</b>			[ * ]	[ * ]	[ * ]
<b>UNCA05210</b>	<b>Nolahist 100 Unit Carton</b>				
11	West-Ward Pharmaceuticals		[ * ]	[ * ]	
2	UPS Logistics Group		[ * ]	[ * ]	
<b>UNCA05210</b>			[ * ]	[ * ]	[ * ]
<b>UNCA05224</b>	<b>Nolahist 7x24 Unit Carton</b>				
11	West-Ward Pharmaceuticals		[ * ]	[ * ]	
2	UPS Logistics Group		[ * ]	[ * ]	
5	Test Pak		[ * ]	[ * ]	
<b>UNCA05224</b>			[ * ]	[ * ]	[ * ]
<b>RAWMAT</b>	<b>I/C Raw Materials</b>			[ * ]	

SAMPLE	I/C Sample Inventory				
<b>5907561503</b>	<b>Permax 0.05mg 3x30 Sample</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
<b>5907561503</b>		[ * ]	[ * ]	[ * ]	[ * ]
<b>5907562503</b>	<b>Sample Permax .25mg 2x30</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
<b>5907562503</b>		[ * ]	[ * ]	[ * ]	[ * ]
<b>6523404702</b>	<b>Bontril SR Sample Folder/fg</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
30	N/A	[ * ]	[ * ]		
<b>6523404702</b>		[ * ]	[ * ]		[ * ]
<b>6523404803</b>	<b>Bontril PDM Sample Folder/fg</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
<b>6523404803</b>		[ * ]	[ * ]		[ * ]
<b>6523405602</b>	<b>Phrenilin Forte Sample Folder/fg</b>				
16	Lark Fulfillment	[ * ]	[ * ]		
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523405602</b>		[ * ]	[ * ]		[ * ]

SAMPLE	I/C Sample Inventory			[ * ]	
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TRADE	I/C - TRADE				
<b>5907561530</b>	<b>Permax .05mg 30</b>				
16	Lark Fulfillment	[ * ]	[ * ]	[ * ]	[ * ]
2	UPS Logistics Group	[ * ]	[ * ]	[ * ]	[ * ]
<b>5907561530</b>		[ * ]	[ * ]		
<b>5907562510</b>	<b>Permax .25mg 100</b>				
16	Lark Fulfillment	[ * ]	[ * ]	[ * ]	[ * ]
<b>5907562510</b>		[ * ]	[ * ]		
<b>5907563010</b>	<b>Permax 1mg 100</b>				
16	Lark Fulfillment	[ * ]	[ * ]	[ * ]	[ * ]
2	UPS Logistics Group	[ * ]	[ * ]	[ * ]	[ * ]
<b>5907563010</b>		[ * ]	[ * ]		

<b>6523402510</b>	<b>Permax .25mg 100</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523402510</b>		[ * ]	[ * ]	[ * ]	[ * ]
<b>6523402610</b>	<b>Permax 1mg 100</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523402610</b>		[ * ]	[ * ]	[ * ]	[ * ]
<b>6523404616</b>	<b>Capital and Codeine Suspension</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523404616</b>		[ * ]	[ * ]		[ * ]
<b>6523404710</b>	<b>Bontril SR 100</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523404710</b>		[ * ]	[ * ]		[ * ]
<b>6523404790</b>	<b>Bontril SR 1000</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523404790</b>		[ * ]	[ * ]		[ * ]
<b>6523404810</b>	<b>Bontril PDM 100</b>				
2	UPS Logistics Group	[ * ]	[ * ]		
<b>6523404810</b>		[ * ]	[ * ]		[ * ]
<b>6523404890</b>	<b>Bontril PDM 1000</b>				
2	UPS Logistics Group	[ * ]	[ * ]		



6523404890			[ * ]	[ * ]	[ * ]
6523405010	<b>Phrenilin 100</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523405010			[ * ]	[ * ]	[ * ] [ * ]
6523405050	<b>Phrenilin 500</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523405050			[ * ]	[ * ]	[ * ] [ * ]
6523405210	<b>Nolahist 100</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523405210			[ * ]	[ * ]	
<hr/>					
6523405224	<b>Nolahist 7x24</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523405224			[ * ]	[ * ]	[ * ] [ * ]
6523405610	<b>Phrenilin Forte 100s</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523405610			[ * ]	[ * ]	[ * ]
6523405650	<b>Phrenilin Forte 500</b>				
2	UPS Logistics Group		[ * ]	[ * ]	[ * ] [ * ]
6523405650			[ * ]	[ * ]	
6523406110	<b>Phrenilin CC</b>				
2	UPS Logistics Group		[ * ]	[ * ]	
6523406110			[ * ]	[ * ]	[ * ]
6523407405	<b>Motofen 50</b>				
16	Lark Fulfillment		[ * ]	[ * ]	
2	UPS Logistics Group		[ * ]	[ * ]	
6523407405			[ * ]	[ * ]	[ * ]
6523407410	<b>Motofen 100</b>				
16	Lark Fulfillment		[ * ]	[ * ]	
2	UPS Logistics Group		[ * ]	[ * ]	
6523407410			[ * ]	[ * ]	[ * ]
<b>TRADE</b>	<b>I/C - TRADE</b>			[ * ]	
Other- general					[ * ] [ * ]
Other- 4,800 units of 1.00mg Permax on order					[ * ] [ * ]
<b>Grand Total:</b>			[ * ]	[ * ]	[ * ] [ * ]

Data from UniStockCard

**Support for SCH 4.9 Inventory reserves**

**Reserve for Inventory Loss**  
G/L# 02-1350

Difenoxin	[ * ]	[ * ] gms at Lannet unverified.
Butalbital	[ * ]	[ * ]% of inventory
PCC Inserts/Labels	[ * ]	Inventory at Westward
Nolahist Inserts/cartons/labels	[ * ]	Inventory at Testpak/Westward
Permax	[ * ]	
Permax samples at lark	[ * ]	
Legacy	[ * ]	
General Accrual	[ * ]	
G/L Balance as of December 31,2003	[ * ]	
<b>Permax:</b>		
Samples:		
.05mg	[ * ]	
.25mg	[ * ]	
Subtotal Samples	[ * ]	

Obsolete 59075 NDC Code:

.05mg	[ * ]
1.0mg	[ * ]
<b>Subtotal Obsolete</b>	<b>[ * ]</b>
Potentially short dated reserve .05mg	[ * ]
Potentially short dated reserve .25mg	[ * ]
Potentially short dated reserve 1.00mg	[ * ]
1mg 4,800 units on order from Lilly	[ * ]
Other	[ * ]
<b>Other Permax reserve</b>	<b>[ * ]</b>
<b>Total Permax</b>	<b>[ * ]</b>
Legacy	
Nolahist 24s	[ * ]
Phrenilin 100s	[ * ]
Phrenilin 500s	[ * ]
Forte 500s	[ * ]
	<b>[ * ]</b>

**Support for Schedule 4.9 Excess Inventory**

Product/Package	12/31/2003 Lot #	Units	Expiration Date	Short Date	Potential Excess Inventory	cost	\$	Legacy	Permax
Bontril PDM 100's	GB263A	[ * ]	31-Jan-06	31-Jan-05					
	GB264A	[ * ]	31-May-08	01-Jun-07					
	GB265A	[ * ]	31-May-08	01-Jun-07					
Bontril PDM 100's	<b>Total:</b>	[ * ]							
Bontril PDM 1000's	GB267B	[ * ]	31-May-08	01-Jun-07					
Bontril PDM 1000's	<b>Total:</b>	[ * ]							
Bontril SR 100's	GSR186A	[ * ]	31-Jul-06	31-Jul-05					
	GSR189A	[ * ]	31-Jul-08	01-Aug-07					
	GSR190A	[ * ]	31-Jul-08	01-Aug-07					
	GSR191A	[ * ]	31-Aug-08	01-Sep-07					
Bontril SR 100's	<b>Total:</b>	[ * ]							
Bontril SR 1000's	GSR187B	[ * ]	31-May-05	31-Mar-04					
	GSR188B	[ * ]	31-May-05	31-Mar-04					
	GSR188B1	[ * ]	31-May-05	31-Mar-04					
Bontril SR 1000's	<b>Total:</b>	[ * ]							
Capital & Codeine		[ * ]							
Capital & Codeine	<b>Total:</b>	[ * ]							
Motofen 50's	MOTWW144H	[ * ]	30-Nov-05	29-Nov-04					
	MOTWW147H	[ * ]	31-May-06	30-May-05					
	MOTWW148H	[ * ]	30-Jun-06	29-Jun-05					
Motofen 50's	<b>Total:</b>	[ * ]							
Motofen 100's	MOTWW145A	[ * ]	31-May-08	31-May-07					
	MOTWW146A	[ * ]	31-May-08	31-May-07					
	MOTWW147A	[ * ]	31-May-08	31-May-07					
	MOTWW148A	[ * ]	31-Jul-08	31-Jul-07					
	MOTWW149A	[ * ]	31-Jul-08	31-Jul-07					
	MOTWW150A	[ * ]	31-Jul-08	31-Jul-07					
Motofen 100's	<b>Total:</b>	[ * ]							
Nolahist 100's		[ * ]							
Nolahist 100's	<b>Total:</b>	[ * ]							
Nolahist 24's	NLHWW129	[ * ]	10-May-05	10-May-04					
Nolahist 24's	<b>Total:</b>	[ * ]			[ * ]	[ * ]	[ * ]	[ * ]	[ * ]
Permax 0.05mg 30's	5MU85M	[ * ]	01-Nov-04	01-May-03					
Permax 0.05mg 30's	<b>Total:</b>	[ * ]			[ * ]	[ * ]	[ * ]	[ * ]	[ * ]
Permax 0.25mg 100's	6MA70M	[ * ]	01-Apr-05	01-Oct-03	[ * ]				
	6MA72M	[ * ]	01-Apr-05	01-Oct-03	[ * ]				
	6MA73M	[ * ]	01-Apr-05	01-Oct-03	[ * ]				
	6RN14M	[ * ]	01-Nov-05	03-May-04	[ * ]	[ * ]	[ * ]	[ * ]	[ * ]
Permax 0.25mg 100's	<b>Total:</b>	[ * ]							

Permax 1.0mg 100's OLD NDC	5MS44M	[ * ]	01-Oct-04	03-Apr-03	[ * ]	[ * ]	[ * ]	[ * ]
Permax 1.0mg 100's	6RK42M	[ * ]	01-Nov-05	03-May-04	[ * ]			
	6RN15M	[ * ]	01-Nov-05	03-May-04	[ * ]			
	6RN16M	[ * ]	01-Nov-05	03-May-04	[ * ]			
	6RK43M	[ * ]	01-Nov-05	03-May-04	[ * ]	[ * ]	[ * ]	[ * ]
Permax 1.0mg 100's	<b>Total:</b>	[ * ]						
Phrenilin 100's	GPN316A	[ * ]	31-Mar-07	31-Mar-06	[ * ]			
	GPN317A	[ * ]	31-Mar-07	31-Mar-06	[ * ]			
	PHRWW101AT	[ * ]	28-Feb-07	28-Feb-06	[ * ]			
	PHRWW102AT	[ * ]	28-Feb-07	28-Feb-06				
	GPN318A	[ * ]	30-Jun-07	30-Jun-06				
Phrenilin 100's	<b>Total:</b>	[ * ]			[ * ]	[ * ]	[ * ]	[ * ]
Phrenilin 500's	GPN311F	[ * ]	31-Jan-05	01-Feb-04				
	GPN313F	[ * ]	31-May-05	31-May-04				
	GPN314F	[ * ]	30-Jun-05	30-Jun-04				
	GPN314F1	[ * ]	30-Jun-05	30-Jun-04				
	GPN315F	[ * ]	30-Jun-05	30-Jun-04				
	PHRWW101FT	[ * ]	28-Feb-07	28-Feb-06				
	PHRWW102FT	[ * ]	28-Feb-07	28-Feb-06				
Phrenilin 500's	<b>Total:</b>	[ * ]			[ * ]	[ * ]	[ * ]	[ * ]
Phrenilin CC 100's	PCCWW108	[ * ]	30-Nov-03	30-Nov-02				
	PCCWW109	[ * ]	30-Nov-03	30-Nov-02				
	PCCWW110A	[ * ]	31-Dec-03	31-Dec-02				
	PCCWW111A	[ * ]	31-Dec-03	31-Dec-02				
	PCCWW111-1	[ * ]	31-Dec-03	31-Dec-02				
	PCCMK101A	[ * ]	31-Aug-03	31-Aug-02				
	PCCMK102A	[ * ]	30-Sep-03	30-Sep-02				
	PCCMK103A	[ * ]	30-Sep-03	30-Sep-02				
	PCCWW101AT	[ * ]	31-Oct-03	31-Oct-02				
	PCCWW102AT	[ * ]	31-Oct-03	31-Oct-02				
	PCCWW103AT	[ * ]	31-Oct-03	31-Oct-02				
Phrenilin CC 100's	<b>Total:</b>	[ * ]						
Phrenilin Forte 100's	PF466A	[ * ]	30-Nov-06	30-Nov-05				
	PF468A	[ * ]	30-Nov-06	30-Nov-05				
	PF469A	[ * ]	30-Nov-06	30-Nov-05				
	PF470A	[ * ]	30-Nov-06	30-Nov-05				
	PF471A	[ * ]	30-Nov-06	30-Nov-05				
	PF472A	[ * ]	31-Dec-06	31-Dec-05				
	PF473A	[ * ]	31-Dec-06	31-Dec-05				
	PF474A	[ * ]	31-Dec-06	31-Dec-05				
	PF475A	[ * ]	31-Dec-06	31-Dec-05				
	PF477A	[ * ]	31-Dec-06	31-Dec-05				
	PF478A	[ * ]	31-Dec-06	31-Dec-05				
	PF479A	[ * ]	28-Feb-07	28-Feb-06				
	PF480A	[ * ]	28-Feb-07	28-Feb-06				
	PF481A	[ * ]	28-Feb-07	28-Feb-06				
	PF482A	[ * ]	28-Feb-07	28-Feb-06				
	PF483A	[ * ]	28-Feb-07	28-Feb-06				
	PF484A	[ * ]	28-Feb-07	28-Feb-06				
Phrenilin Forte 100's	<b>Total:</b>	[ * ]						
Phrenilin Forte 500's	PF444F	[ * ]	31-Jul-05	31-Jul-04	[ * ]			
	PF451F	[ * ]	31-Aug-05	31-Aug-04	[ * ]			
	PF452F	[ * ]	31-Aug-05	31-Aug-04	[ * ]			
	PF453F	[ * ]	31-Aug-05	31-Aug-04	[ * ]			
	PF454F	[ * ]	31-Aug-05	31-Aug-04	[ * ]			
	PF467F	[ * ]	30-Nov-05	30-Nov-04	[ * ]			
	PF485F	[ * ]	31-Aug-07	31-Aug-06				
Phrenilin Forte 500's	<b>Total:</b>	[ * ]			[ * ]	[ * ]	[ * ]	[ * ]
Samples at Lark- Permax .25							[ * ]	[ * ]
Samples at Lark Permax .05							[ * ]	[ * ]
Permax 1mg on order from Lilly					[ * ]	[ * ]	[ * ]	[ * ]

#### SCHEDULE 4.10

##### No Undisclosed Liabilities

SEVERANCE PROGRAM—On or about November 13, 2003, API distributed a severance program to its employees, as a retention tool. This program applies to all API employees who did not previously have an agreement in place providing for severance in the event of certain triggering events. (Four employees have severance benefits included in their employment letters.) The program generally provides for two months' salary and benefits continuation if a triggering event occurs; four months in the case of Senior Directors, and six months for Vice Presidents not having a prior contractual agreement. Copies of the severance memos distributed to affected employees, along with copies of the employment agreements containing severance provisions, have been provided to Buyer.

BONUSES—(a) Management by Objective bonus program. API administers an annual bonus program for employees at the Manager level or higher, consisting of a given percentage of base salary bonus opportunity, based on the attainment of predetermined API and individual objectives. Program review and awards are conducted on a calendar year basis, as measured initially by supervisors, then senior API and Amarin management and approved by Amarin senior management. (b) Sales Force bonus program. The API sales force, including regional managers, have a bonus

opportunity described in advance for each calendar quarter, based on metrics which can vary from quarter to quarter. A copy of the bonus program for Q4'03 has been provided to Buyer.

See the attached schedule of open purchase orders and stability purchase orders.

**SCH 4.10 Open Purchase Orders**

PO #	Supplier	Commitment	Description
<b>Open Orders - still open at Closing Date</b>			
738	Berg	\$ [ * ]	Phenindamine Tartrate - To be paid over 3 years. Problems with manufacturing process
799	SST	\$ [ * ]	Difenoxin- [ * ] gms @ [ * ]/gm. For deliver 01-04. We will probably store it at JM for a while.
800	HiTech Pharmacal	\$ [ * ]	Capital and Codeine - PO for [ * ] lots totalling [ * ] units. [ * ] received 01-04 already. [ * ] outstanding - delivery Q1 04 ?
805	Mallinckrodt	\$ [ * ]	Bontril PDM for 03-04 delivery
804	Mallinckrodt	\$ [ * ]	Bontril SR for 3-04 delivery
688	Westward	\$ [ * ]	Nolahist- manufacture [ * ] tabs. Awaiting API
724	Westward	\$ [ * ]	Nolahist- manufacture [ * ] tabs. Awaiting API
688	TestPak	\$ [ * ]	Nolahist- package [ * ] tabs. Awaiting API
724	TestPak	\$ [ * ]	Nolahist- package [ * ] tabs. Awaiting API
527	Scott Levin	\$ [ * ]	Permax Audit data - 2004 is the third year of a three year contract
Various	Mallinck/Westward/HiTech	\$ [ * ]	Various stability PO's—For 5 year annual stability testing—required each year and prices are those in force at the time.
		\$ [ * ]	

**Open orders at 12-31-03, but subsequent delivery of goods**

729	Lilly	\$ [ * ]	Permax .05 - [ * ] units delivered into inventory 01-23-04
729	Lilly	\$ [ * ]	Permax .05 - [ * ] units delivered 02-10-04
730	Lilly	\$ [ * ]	Permax .25 - [ * ] units delivered 02-10-04
692	Lilly	\$ [ * ]	Permax 1.00mg - [ * ] units delivered 2-10-04. Lilly sold the rest of the batch to another country for use there.
		\$ [ * ]	

**Support for SCH 4.10- Open Stability Purchase Orders**

**Open Stability Purchase Orders**

Current Stability test costs	Per test
Mallinckrodt	
Bontril SR 100s	[ * ]
Bontril SR 1000s	[ * ]
Bontril PDM 100s	[ * ]
Bontril PDM 1000s	[ * ]
Phrenilin	[ * ]
Forte	[ * ]
PCC	[ * ]
Westward	
Motofen	[ * ]
Nolahist	[ * ]
PCC	[ * ]
Hitech	
Capital & Codeine	[ * ]

Po #	Date	Mfr	Monthly Interval - \$ Commitment				24	36	48	60		
			6	12	18							
50		[ * ]	Forte					\$ [ * ]	\$ [ * ]			
51		[ * ]	Forte					\$ [ * ]	\$ [ * ]			
52		[ * ]	Forte					\$ [ * ]	\$ [ * ]			
various		[ * ]	Motofen									Probably Closed- status uncertain
106	3/16/2001	[ * ]	Phrenilin	\$ [ * ]								
125	3/16/2001	[ * ]	Phrenilin	\$ [ * ]	\$ [ * ]		\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]		GNP300FT packed by testpak Status:uncertain if closed
130	3/16/2001	[ * ]	Phrenilin	\$ [ * ]			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]		GNP300FT packed by testpak Status:uncertain if closed
136	3/16/2001	[ * ]	Phrenilin	\$ [ * ]	\$ [ * ]		\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]		GNP300T blisters packed by testpak Status:uncertain if closed

159	3/16/2001	[ * ]	Bontril SR						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR123A
32	2/2/2001	[ * ]	BontrilPDM 1000s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB199B
33	2/2/2001	[ * ]	Bontril 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB199A
34	2/2/2001	[ * ]	Bontril SR						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR149A
37	2/2/2001	[ * ]	Bontril SR						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR151
091400A	9/14/2000	[ * ]	Bontril SR						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR135A
091400B	9/14/2000	[ * ]	Bontril SR						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR139
091400C	9/14/2000	[ * ]	Forte 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF412A
091400D	9/14/2000	[ * ]	Forte 500s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF412F
592	3/8/2002	[ * ]	Bontril SR 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR172B
593	3/8/2002	[ * ]	Bontril PDM 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB212BT
594	3/8/2002	[ * ]	Bontril PDM 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB211BT
604	3/27/2002	[ * ]	Forte Sample Folders	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF433T
753	3/20/2003	[ * ]	Phrenilin 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP272A
753	3/20/2003	[ * ]	Phrenilin						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP272F
754	3/20/2003	[ * ]	Forte 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF472A
754	3/20/2003	[ * ]	Forte 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF472F
781	5/28/2003	[ * ]	Bontril PDM 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB251A-ST
782	5/28/2003	[ * ]	Bontril PDM 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB251B
783	5/28/2003	[ * ]	Bontril samples			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR187S
784	5/30/2003	[ * ]	Forte Samples			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF483S
792	7/21/2003	[ * ]	Phrenilin 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP316A
793	7/21/2003	[ * ]	Phrenilin 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP316F
806	11/13/2003	[ * ]	Bontril SR 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR189A

807	11/13/2003	Mallinckrodt (MK)	Bontril PDM 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB262A1
808	11/13/2003	Mallinckrodt (MK)	Bontril PDM 1000s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB266B1
199	4/16/2001	Mallinckrodt (MK)	Bontril PDM 1000s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB185B
200	4/16/2001	Mallinckrodt (MK)	Bontril PDM 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB185A
201	4/16/2001	Mallinckrodt (MK)	Bontril PDM 1000s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB 182B
203	4/16/2001	Mallinckrodt (MK)	Bontril PDM 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB181A
213	4/18/2001	Mallinckrodt (MK)	Bontril PDM 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB210AT
214	4/18/2001	Mallinckrodt (MK)	Bontril PDM 1000s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB210BT
242	4/26/2001	Mallinckrodt (MK)	Forte 500s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF377
243	4/26/2001	Mallinckrodt (MK)	Forte 500s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF388
244	4/26/2001	Mallinckrodt (MK)	Forte 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF388
245	4/26/2001	Mallinckrodt (MK)	Forte Blisters					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF378
246	4/26/2001	Mallinckrodt (MK)	Forte 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF377A
250	4/26/2001	Mallinckrodt (MK)	Forte 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF373A
252	4/26/2001	Mallinckrodt (MK)	Forte 100s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF359A
253	4/26/2001	Mallinckrodt (MK)	Forte 500s						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF363F
254	4/26/2001	Mallinckrodt (MK)	Forte 500s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF340F
255	4/26/2001	Mallinckrodt (MK)	Forte 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF397A
256	4/26/2001	Mallinckrodt (MK)	Forte 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF396A
260	4/26/2001	Mallinckrodt (MK)	Forte 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF356
340	7/31/2001	Mallinckrodt (MK)	Phrenilin						\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP280F
341	7/31/2001	Mallinckrodt (MK)	Phrenilin 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP280A
398	9/18/2001	Mallinckrodt (MK)	Phrenilin 100s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP299A
399	9/18/2001	Mallinckrodt (MK)	Phrenilin 500s					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP299F
400	9/18/2001	Mallinckrodt (MK)	Phrenilin samples					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP281
402	9/18/2001	Mallinckrodt (MK)	Phrenilin 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP301A
403	9/18/2001	Mallinckrodt (MK)	Phrenilin 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP301F-ST
404	9/18/2001	Mallinckrodt (MK)	Forte 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF418A
405	9/18/2001	Mallinckrodt (MK)	Forte 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF418F-ST
494	12/5/2001	Mallinckrodt (MK)	Bontril SR 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR169A
495	12/5/2001	Mallinckrodt (MK)	Bontril SR Blisters			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR169T
500	12/7/2001	Mallinckrodt (MK)	Bontril SR 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR168B
544	1/24/2002	Mallinckrodt (MK)	Bontril PDM			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB250T
557	2/20/2002	Mallinckrodt (MK)	Phrenilin 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP304A
558	2/20/2002	Mallinckrodt (MK)	Phrenilin 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GNP304F
559	2/21/2002	Mallinckrodt (MK)	Forte 100s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF421A
565	2/26/2002	Mallinckrodt (MK)	Forte 500s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PF424F
588	3/8/2002	Mallinckrodt (MK)	Bontril PDM			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB211AT
589	3/8/2002	Mallinckrodt (MK)	Bontril PDM			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GB212AT
590	3/8/2002	Mallinckrodt (MK)	Bontril SR 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR170B
591	3/8/2002	Mallinckrodt (MK)	Bontril SR 1000s			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	GSR171B

Westward													
100400	10/4/2000	Westward	Motofen			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW128A
9	11/2/2000	Westward	Nolahist	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	NLHWW123P
44	2/20/2001	Westward	Nolahist	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	NLHWW125P
45	2/20/2001	Westward	Nolahist	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	NLHWW124P
60	3/8/2001	Westward	PCC			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW100
209	4/16/2001	Westward	Motofen	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW129
238	4/26/2001	Westward	Motofen	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW133A
239	4/26/2001	Westward	Motofen	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW133H
280	5/16/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW100 testpak
346	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW101AT
347	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW102AT
348	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW103AT
349	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW101AT
350	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW102AT
351	8/2/2001	Westward	PCC	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PCCWW103AT
372	9/5/2001	Westward	Motofen			\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW115A

373	9/5/2001	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW115H
374	9/5/2001	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW116A
375	9/5/2001	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW117A
376	9/5/2001	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW117H
576	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100
576	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100AT
576	3/8/2002	Westward	Phrenilin 500s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100FT
577	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW101
577	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW101T
577	3/8/2002	Westward	Phrenilin 500s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW101FT
578	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW102
578	3/8/2002	Westward	Phrenilin 100s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW102T
578	3/8/2002	Westward	Phrenilin 500s	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW102FT
612	4/3/2002	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW110A
617	4/3/2002	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW125A
618	4/3/2002	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW126H
623	4/3/2002	Westward	Motofen					\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW126H
650	6/10/2002	Westward	Phrenilin	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100FT
651	6/10/2002	Westward	Phrenilin	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100AT
652	6/10/2002	Westward	Phrenilin	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	PHRWW100T
786	6/11/2003	Westward	Motofen	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	\$ [ * ]	MOTWW147H
787	6/11/2003</												

The possible application of UK Stamp Duty to the Contemplated Transactions remains under review.

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**SCHEDULE 4.12**

**No Material Adverse Change**

1. Since January 1, 2003, API has experienced the resignation of a number of field sales representatives and one of its regional managers. Some of the representatives, and the regional manager, have since been replaced, with the net effect that as of January 15, 2004, API had twelve (12) active sales representatives along with the three regional managers. While some replacement hiring has occurred during that period, in light of the entry of generic competition to Permax and the delay in approval of Zelapar, API chose not to return the sales force to full strength. Continued operation at less than full strength can materially adversely affect the effectiveness of the sales force in contributing to demand for API products. Further resignations in the field force, and particularly any of the regional managers, could have a further negative impact. In addition, API has operated without filling the National Sales Director position for over a year, which has compromised the ability of the Vice President, Sales and Marketing to focus on more strategic activities.
2. Following the entry of generic competition to Permax in early 2003, API discontinued a substantial amount of its marketing programs and spending in support of the brand. API has also continued its practice of not directly promoting substitutable products other than Permax and Phrenilin Forte. Indirect marketing program spending for the PCP Products was reduced in 2003 in light of reduced sales.
3. As part of its requirements for the final approval of Zelapar, FDA has required that Elan conduct two further safety studies (referred to either separately, or in a combined study, as the Zelapar R&D Studies). These studies are identified in the approvable letter for Zelapar and referenced in Amarin's press release attached to its Form 6-K filed on or about December 4, 2003. The studies relate to (i) the potential for QTc interval prolongation, and (ii) a tyramine challenge study based on the potential for nonselective inhibition of monoamine oxidase A. Elan and Amarin have currently agreed in principle on a protocol which they believe would address the issues raised by FDA. As a part of its most recent extension of payment terms due from Amarin, Elan has agreed to allow Amarin to continue the development of Zelapar. The protocol, timing and estimated costs of the Zelapar R&D Studies have been provided to Buyer. There can be no assurance that the Zelapar R&D Studies will be completed successfully or on time, or that FDA, upon reviewing the data generated by the Zelapar R&D Studies, will not request additional information leading to additional risk, time or cost for the approval of Zelapar. Furthermore, it is possible that one or more competitive products to Zelapar, including rasagiline, another MAO-B inhibitor, could be approved before or after any final approval of Zelapar, which could materially adversely affect its competitiveness in the marketplace.
4. Amarin and Elan have entered into a number of agreements which have extended the time and amount of payments required to be made by Amarin to Elan, in addition to various waivers or releases of other claims or potential claims. Prior to entering into such waivers and releases, Amarin and Elan each maintained a factual or legal basis for such claims. Amarin is presently negotiating with Elan for a further reduction in the amount that would be paid to Elan in a combined payment, settlement and partial restructure of all debt obligations owed by Amarin. Any further agreement will likely require an updated and confirmed release of all claims between the parties, subject to any agreed exceptions.

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5. PERMAX—(a) In 2003 two changes were made to the approved product labeling for Permax by Eli Lilly, as requested by FDA, pertaining to valvular heart disease (VHD), and the potential for somnolence or sudden onset of sleep. As is typical in such situations, Eli Lilly sent Dear Health Care Practitioner letters to an appropriate segment of health care providers following each label change. Pending or outstanding claims regarding the VHD issue are described elsewhere in these schedules. Amarin has no Knowledge of any claims pending or threatened as a result of somnolence or sudden onset of sleep alleged to have occurred as a result of taking Permax. (b) In 2003, Permax experienced competition from two generic pergolide products, launched by Teva and Ivax, which had the effect of substantially reducing revenues for branded Permax, as summarized in Amarin's quarterly financial reports filed on Form 6-K, commencing with the first quarter of 2003. Amarin has no Knowledge of any further ANDA being filed or approved for a pergolide product using Permax as the reference listed drug. Amarin cannot predict the impact on Permax of ongoing competition from these or other generic competitors. (c) In March, 2003, Lilly gave Amarin notice, under the Lilly/Amarin license agreement for Permax, of Lilly's discontinuation of Permax manufacture and termination of Lilly's supply obligations under that agreement, effective three years from the date of that notice. Amarin has entered into discussions with Lilly about its intended outsource of supply of Permax for Lilly's other territories, and has also begun independent exploration of a possible source or sources for commercial supply of Permax. Based on present and projected demand for Permax, potential sources for supply of the product, the estimated time necessary to qualify and approve a new vendor, and other relevant factors, Amarin does not believe that it will face an interruption in its supply of Permax. However, there can be no assurance that Amarin will be able to identify and qualify a new vendor prior to the termination of Lilly's obligations without interruption, or will be able to do so at a cost which is acceptable to Amarin.
  6. IVAX SETTLEMENT: In May, 2003, Amarin entered into a settlement of patent litigation with Ivax Corporation concerning two U.S. patents licensed to Amarin by Lilly upon Amarin's acquisition from Elan of the exclusive U.S. license rights to Permax® (pergolide mesylate) tablets. In return for a sublicense under those patents, Amarin will receive royalty payments from Ivax's sale of any pergolide products. Under the terms of the settlement, Amarin and Lilly granted to Ivax a non-exclusive sublicense in the U.S. under the two patents at issue, beginning September 2, 2003, and continuing for the remaining life of the patents. In return, Ivax will make royalty payments to Amarin, to be shared between Amarin and Lilly, from the first six months' gross profit (net sales less cost of goods sold) from sales of any Ivax pergolide product sold during that initial six-month period under its Abbreviated New Drug Application (ANDA) for pergolide products. The patent litigation was initiated by Elan in 2001 upon the filing by Ivax of its ANDA, and was assumed by Amarin as a part of its acquisition of the U.S. license rights from Elan. Ivax launched its product in September, 2003, and its first royalty report is due to Amarin 60 days following the first three months of commercial sales.
  7. As described elsewhere in these Schedules, Amarin has virtually eliminated any incentives to non-contract purchasers of Amarin Products other than its standard [ \* ]%-net [ \* ] prompt payment discount. Given purchases in the secondary market from some or all of Amarin's customers,

overlapping trade relationships and the lack of reliable data generally regarding the amount of trade product in the hands of customers, it is impossible to assure the levels of inventory in the trade channel for any Amarin product or its remaining dating, both generally and as to specific customers. Amarin has obtained selected information from certain customers and has made every effort to provide that information to Buyer, but cannot provide assurance that such information was or will remain accurate. Amarin cannot of course predict either the demand for its products by ultimate consumers, or the amount of first line sales by Amarin to its customers.

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8. In approximately November, 2002, Alpharma conducted a recall of a number of products it manufactured. That recall pertained to a number of third party products and included one lot of Capital & Codeine suspension. Thereafter, Alpharma no longer manufactured Capital & Codeine. After a delay of several months required for transition to an alternate supplier, HiTech Pharmacal, Amarin has reintroduced the product. Other than a minor amount of some product returns, Amarin experienced no claims, Actions or Proceedings as a result of that recall, and there are no claims or threatened claims pending. In addition, in light of updated manufacturing information filed with FDA, Amarin has requested and FDA has agreed that Amarin's ANDA for Capital & Codeine now stands alone and need no longer cross-reference Alpharma's ANDA.
  9. In late 2001, Amarin introduced Phrenilin with Caffeine and Codeine (PCC). Due to competition from West-ward Pharmaceuticals with a similar product, and the lack of any competitive advantage for Amarin's product, regular sales and marketing of that product were discontinued. As a result, Amarin discontinued its generic wholesale service agreement for PCC with Cardinal Health.
  10. On about June 4, 2001, FDA conducted a field audit of Amarin's New Jersey facility. No further action was taken following the report. That facility has since been closed, in late 2002.
  11. The Products identified as Discontinued Products on Schedule 3.9 were discontinued on or about the dates shown. Other than Nolamine, Propagest, Exgest and Sinulin, the others shown were discontinued for commercial or strategic reasons. On November 6, 2000, FDA issued a warning regarding all decongestant products containing the active ingredient phenylpropanolamine ("PPA"), and initiated steps to remove these products from the marketplace. The Company withdrew those four products from the market and accepted returns of those products through December 31, 2001, of \$[ \* ]. During 2002, PPA returns were \$[ \* ]. A decision was taken in early 2001 to accept returns in certain circumstances even where customers did not have legal right of return. Seller accounts for these returns as part of operating expense. Elan made a contribution to the Company of US\$5[ \* ] to cover PPA returns during the year ended December 31, 2000. This contribution was offset against the cost of PPA product returns. PPA product returns received in 2003 were less than \$[ \* ].
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#### **SCHEDULE 4.13**

##### Employee Benefits

Employee benefit programs at API can be summarized as follows:

##### **STOCK OPTIONS**

Every full-time employee receives a grant of stock options upon joining Amarin Pharmaceuticals. These options are granted in ordinary shares of our parent company, Amarin Corporation plc, adjusted for pricing at the fair market value of the Company's American Depository Receipts (ADRs). The options granted are nonqualified stock options, which means that they are not qualified for special income tax treatment. Vested options are currently exercisable and converted to ADRs by our program administrator, Salomon Smith Barney.

##### **MEDICAL INSURANCE**

Eligible full-time employees may enroll in either a single or a family contract on the first day of employment, with no waiting period. The current provider of our medical insurance is Guardian Life Insurance Company, under a preferred provider organization (PPO) plan. A list of current providers under the plan can be found at [www.glic.com](http://www.glic.com), though you should verify participations since individual physician participation can change frequently. Participating employees are also covered under our medical insurance plan's prescription drug program.

Amarin pays on your behalf 95% of the cost of the medical insurance you select. Your contribution is 5% of the cost for the coverage you choose: individual employee, employee with a spouse or a dependant, or full family coverage. The amount of your contribution will be provided to you along with your enrollment forms. Employee contributions are accomplished automatically by payroll deduction. If you elect not to receive health plan coverage, the Company will pay you \$100 each pay period.

A summary of coverage, and a booklet containing the details of the plan and eligibility requirements, may be obtained from Jean Pineda.

##### **DENTAL INSURANCE**

Eligible full-time employees may enroll in either a single or a family contract on the first day of employment, without a waiting period. This coverage is also provided by Guardian. Providers can also be found at the website shown above. This coverage is provided to you at no cost.

As of May 1, 2002, we have added orthodontia coverage, for both adults and children. The benefit covers 50% of your costs in network, with a \$1500 annual and lifetime benefit cap per person. This benefit is also paid for by Amarin.

A summary of coverage, and a booklet containing the details of the plan and eligibility requirements, may be obtained from Jean Pineda.

## VISION CARE

As of May 1, 2002, full-time employees are eligible for enrollment in our vision care plan after completing one month of service, administered by VSP, a national provider. The benefit provides for one examination every 12 months, new lenses (contacts or glasses) every 12 months, and new frames every 24 months, with a \$25 co-pay. Discounts on elective services such as LASIK may apply. A list of providers can be found at [www.vsp.com](http://www.vsp.com). The company pays the cost of this benefit.

## LIFE INSURANCE

Eligible full-time employees are automatically enrolled in this plan on the first day of employment, again without waiting period, at no cost to the employee. The life/accidental death coverage is currently provided by Unum Insurance Company. The benefit is two times the employee's annual salary, up to a maximum of \$550,000. Coverage in excess of \$300,000 requires evidence of insurability, i.e., an application process.

## LONG TERM DISABILITY

As of October 1, 2001, full time employees are also eligible for long-term disability coverage through Unum, at no charge and with no waiting period upon employment.

## SECTION 125 PLAN

Amarin offers a pre-tax contribution option for employees. This employee benefit is known as a Section 125 plan. Eligible full-time employees may enroll in this plan after completing one month of employment.

A Section 125 plan is a benefit plan that allows you to make contributions toward out-of-pocket medical expenses, such as deductibles under the medical plan, and dependent care expenses on a "before tax" rather than an "after tax" basis. This means your qualified expenses are deducted from your gross pay before income taxes and Social Security is calculated.

## 401K QUALIFIED RETIREMENT PLAN

Amarin Pharmaceuticals provides full time employees with the opportunity to set aside a portion of pre-tax earnings in our Merrill Lynch 401(k) Qualified Retirement plan, which is an excellent means of long-term savings for your retirement and provides income tax benefits as well.

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Administrative costs of the plan are paid by Amarin. You will receive an enrollment packet as a part of your orientation upon employment.

## EMPLOYEE ASSISTANCE PROGRAM

Our employee assistance program (EAP) helps eligible employees and their immediate families with a wide range of problems. Situations addressed by the EAP include marriage and family problems, emotional problems, alcoholism and alcohol abuse, drug abuse and dependency, financial problems, compulsive gambling and eating disorders. Your conversations and all records are strictly confidential. The administrative cost of this program is fully paid by Amarin. You can obtain information to the EAP by calling (800)EAP-CALL or (800)327-2255.

## REFERRAL BONUS

Amarin will pay a referral bonus to any employee who refers an applicant to our company who is ultimately hired to a full-time position. The bonus is 10% of the referred employee's base pay, up to a maximum of \$15,000. The bonus will be paid in two increments, 50% on start date and 50% at six months thereafter. The referring employee must still be employed with the company at the time the bonus is to be given. Positions must be approved for bonus in advance by the President and Executive Vice President.

## HOLIDAYS

Beginning in calendar 2003, we will observe the following holidays:

New Year's Day	Wednesday, <b>January 1st</b>
Memorial Day	Monday, <b>May 26<sup>th</sup></b>
Independence Day	Friday, <b>July 4th</b>
Labor Day	Monday, <b>September 1st</b>
Thanksgiving Day	Thursday, <b>November 27th</b>
The Day after Thanksgiving	Friday, <b>November 28th</b>
Christmas Eve Day	Wednesday, <b>December 24th</b>
Christmas Day	Thursday, <b>December 25<sup>th</sup></b>

In addition to the above holidays, a floating holiday will be designated by management each year. In 2004, the floating holiday will be **Friday, January 2**.

Full-time employees are eligible for paid holidays immediately upon hire.

## VACATION

Full-time employees are eligible to earn three weeks of paid vacation time per year. After five years of service with the company, you will be entitled to an additional week's vacation.

## SICK DAYS



Full-time employees are eligible, immediately upon hire, for six (6) paid sick days each year, prorated for partial years. Sick days are calculated according to the calendar year. During your

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initial year of employment, you receive sick days as of your start date for the balance of the calendar year. Your supervisor will inform you of the number of days and the date on which you become eligible.

Unused sick days are converted, at the end of the calendar year, to vacation days, at the rate of 2:1, i.e., for every two sick days not taken, you will be entitled to an additional vacation day in the following year.

In addition, Amarin provides a short-term disability benefit summarized as follows:



**SHORT-TERM DISABILITY BENEFIT  
SUMMARY**

*This is to provide a brief summary of the primary aspects of Amarin Pharmaceuticals' short-term disability income benefit. There may be other aspects of the program that may apply in a specific situation. The STD program provides income during a period of medical leave. During a period of medical disability, you will also need to arrange for an approved leave of absence under our policies. Contact Don Joseph or Jean Pineda for more information.*

- Short-term disability income (STD) begins on the date your medical disability begins, as certified by your doctor (i.e. no waiting period), after using any sick days you have
- Your doctor's certification of medical disability is required to qualify for STD (you must be unable to perform your regular job duties)
- Benefit Amount consists of continued pay at two-thirds of your then-current salary, less standard deductions, regardless of salary amount (i.e., no cap or limit on salary rate)
- Benefit continues for actual length of disability, up to a maximum of 90 days. If disability is ongoing, you will transition to our Long Term Disability insurance (LTD) (separate LTD requirements may apply)
- Return to work requires doctor's certification

**IF YOU LIVE IN CALIFORNIA:** the above is a summary of the California state disability income program, which you would participate in. Amarin will make up the difference between the capped salary amount, if applicable, and your Benefit Amount.

**IF YOU LIVE IN DELAWARE, HAWAII, NEW JERSEY, NEW YORK OR RHODE ISLAND:** you would participate in the state disability income program administered by your state, which

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may differ in some respects from the above summary. Amarin will make up the difference between the capped salary amount, if applicable, and your Benefit Amount.

**IF YOU LIVE IN ANY OTHER STATE NOT LISTED ABOVE:** you would receive the above summarized benefit directly from Amarin, intended to be the equivalent of the California program as in effect from time to time, except that Amarin will make up the difference between the capped salary amount, if applicable, and your Benefit Amount.

10/02

API has also adopted a severance program for the benefit of its employees. See Schedule 4.10.

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**SCHEDULE 4.14**

Compliance with Legal Requirements; Governmental Authorizations

A list of applicable registered trademarks is contained in Schedule 4.22.

API has both federal and state of California tax identification numbers. See also Schedule 4.1.

See the list of Product Registrations at Schedule 3.9 for products marketed by API.

## SCHEDULE 4.15

### Legal Proceedings; Orders

As described elsewhere in these Schedules, certain claims have been asserted alleging product liability or similar claims against Amarin and/or API and other parties based on alleged valvular heart disease occurring in patients taking Permax. The following summarizes the status of claims known to Amarin as of the date of the Agreement and updates disclosures made to Buyer dated November 11, 2003:

- (a) [ \* ] and [ \* ]—these claims have now been settled through mediation in Minnesota, with the settlement paid by [ \* ] on behalf of potential defendants including [ \* ]. Binding settlement agreements have been executed and delivered, which release [ \* ] from any liability. To [ \* ] Knowledge, no right of appeal or challenge has been asserted with respect to the settled claims. [ \* ] product liability insurance carrier was timely notified of the claims and of the settlement. An agreement in principle has been reached with [ \* ] to release [ \* ] from any claims for costs incurred in these matters.
- (b) [ \* ] v. [ \* ] et al.—[ \* ]—case pending; discovery stage. Plaintiff alleges physical injury and emotional distress resulting from cardiac valvulopathy allegedly caused by taking Permax. [ \* ] and [ \* ] have entered into a joint representation agreement with local Texas counsel, [ \* ]. Amarin’s product liability insurance carrier was timely notified of the case filing. An agreement in principle has been reached with [ \* ] to release [ \* ] from any claims for costs incurred to date in this matter.
- (c) [ \* ] has received a letter dated October 16, 2003, from an attorney representing [ \* ], as “next friend” of [ \* ], who died allegedly as a result of taking Permax. No further correspondence or communication has been received in this matter. [ \* ] product liability insurance carrier was timely notified of the receipt of the letter, and [ \* ] local counsel in the [ \* ] matter described above has undertaken preliminary inquiries with potential plaintiff’s counsel in the matter.
- (d) Amarin has received notice through [ \* ] of a potential claim by [ \* ] and by an unnamed woman from Georgia, each of whom is represented by the same attorney who brought the [ \* ] and [ \* ] claims described above. Some information has been exchanged with [ \* ], but to our Knowledge no formal claim or proceeding has been initiated. [ \* ] product liability insurance carrier was timely notified of the receipt of this information.
- (e) As noted in disclosure material dated November 11, 2003, previously provided to Buyer, one of [ \* ] sales representatives was terminated from employment on August 15, 2003, for failure to perform the essential functions of her job after having returned from an approved Family/Medical leave in April, 2003. Following her return in April, there had been instances of significant friction between the employee and her manager, at which time the employee’s reporting role was immediately transferred to direct report to the VP-Sales and Marketing. The employee alleged, among other things, discrimination based on her medical condition. An internal investigation was conducted in which it was concluded that the employee’s allegations were without merit. Following her termination, the employee sought and obtained a “right to sue” letter from the Equal Employment Opportunity Commission. No further contact, and no threat of a claim or litigation, has

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been received by Amarin from the employee or any attorney or other representative claiming to act on her behalf. If such a claim or proceeding were to be initiated, Amarin would defend itself vigorously, although there can be no assurances of the outcome of any such claim or litigation.

- (f) Florida AG notice—In late December, 2003, Amarin received a notice from the Florida Attorney General regarding an investigation being conducted by the State of Florida into Best Price/Average Manufacturer’s Price for pharmaceuticals being purchased by the state. The notice simply requests that the manufacturer receiving the notice retain all records pertaining to Best Price/AMP calculations. The notice does not identify Amarin or any Amarin product by name. Amarin intends to comply with the request to maintain records.

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## SCHEDULE 4.16

### Absence of Certain Changes and Events

(i) Amarin has previously sourced phenindamine, the active ingredient in Nolahist, from a third party manufacturer, Ganes Chemical. Amarin is in the process of changing sources for that material to Berg. The scale-up process for that change has not yet been completed. At current sales levels, the cost of that change could be prohibitive.

(ii) API has distributed its products through UPS Supply Chain Services, fka Livingston Healthcare Services Inc. The UPS agreement expired on August 31, 2003 and has been under discussion for renewal. API has not yet entered into that renewal, based on business considerations in light of the Contemplated Transactions and certain terms that could be considered unfavorable. At present, API is not aware of any material disruption to its business from the continued “handshake” operation of its distribution and the lack of renewal. There can be no assurance that UPS will continue to distribute without a signed agreement in place.

(iii) As described elsewhere in these Schedules, Amarin and Lilly have reached an agreement in principle by which Lilly will consent to the assignment to Buyer of the Lilly license agreement. That agreement in principle includes payment in full to Lilly of outstanding purchase orders by API for Permax, and certain other costs, in the total amount of \$945, 109.43.

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## SCHEDULE 4.17

API Contracts; No Defaults

In addition to those listed in Schedule 3.5, API is a party to the following Material Contracts:

See Schedule 4.18 for insurance policies in place at API

See attached Excel spreadsheet with summary of active and inactive managed care and government purchase contracts

Adoption Agreement for 401(k) Plan

Guardian Life Insurance Company (health and dental insurance)

Unum Life Insurance (Life/AD&D insurance, and long term disability insurance)

VSP, Inc. (vision plan)

Wheels, Inc. (sales force fleet lease agreement)

Gelco (sales force expense administration)

Pharmagistics, LLC (sample fulfillment and compliance)

Paychex (payroll and 401(k), employee assistance plan and Sec.125 plan administration)

ProClaim (third party administrator of product liability insurance)

Inspired Design/Baker Hill (sales force automation software)

NDC Health (market research data)

Verispan (market research data)

Elan/MediCal (facilitating agreement for Permax sold under Elan's NDC)

Certain of the API contracts contain provisions addressing the effect of a change of control of API. Following is a chart summarizing that impact. Copies of all pertinent contracts have been provided to Buyer.

<u>API CONTRACTS—CHANGE OF CONTROL CLAUSE</u>		<u>Y/N</u>	<u>Comment</u>
<b>A. SUPPLY AGREEMENTS</b>			
1.	Mallinckrodt	No	
2.	West-Ward	No	
<b>B. DISTRIBUTION AGREEMENTS</b>			
3.	Livingston Healthcare Services Inc.	No	Predecessor to UPS; renewal contract on hold
4.	Pharmagistics Sampling Services	No	Assignable w/o consent on sale of business—see sec. 9
<b>C. REBATE AND CHARGEBACK AGREEMENTS</b>			
5.	Cardinal Health (Generic Whlsl Service Agmt)	No	
6.	Caremark, Inc.	Yes	Mfr to give notice; Caremark can terminate. Sec. 9(e)
7.	Allscripts, Inc.	No	Expired 12/31/03; renewal underway
8.	Merck-Medco Managed Care, LLC	No	
9.	Kaiser Permanente	No	
10.	Carolina Allied Pharm.	No	
11.	PDM Healthcare	No	Renewed through 12/31/04
12.	PPSE Pharmacy Select	No	Renewal effective 1/1/04
13.	Pharmacy Bus. Assoc. (Truecare)	No	Expired 12/31/03—renewal underway
14.	ServAll	No	Renewed via Pharmacy Select—jointly administered
15.	PACE Alliance	No	Renewed via Pharmacy Select—jointly administered
16.	Aetna Health Management Inc.	No	
17.	Prime Therapeutics, Inc.	No	
<b>D. GOVERNMENT PURCHASE AGREEMENTS</b>			
18.	Department of Veterans Affairs	?	Amendments effective as of 1-1-04
19.	CMS (Medicaid) Master Rebate Agreement	Yes	Automatically assigned to new owner—Sec. IX(b)

20.	Public Health Service	Yes	Automatically assigned to new owner—Sec. VII(d)
21.	Minnesota Senior Rx	No	Amendment effective 1/5/04
22.	Missouri Senior Rx	Yes	Automatically assigned to new owner—Sec. VII(b)
23.	New Jersey PAAD	Yes	Automatically assigned to new owner—Sec. VII(b)
24.	New Jersey Senior Gold	Yes	Automatically assigned to new owner—Sec. VII(b)
25.	New York EPIC	Yes	Automatically assigned to new owner—Sec. IX(b)

26.	Pennsylvania PACE—updated/renewed	Yes	Automatically assigned to new owner—Sec. 32
27.	Vermont PATH	No	
28.	Wisconsin Senior Care	No	
29.	Delaware DHSS	No	
30.	Louisiana Dept of Health	No	
31.	California—MediCal	No	

**E. OTHER MATERIAL AGREEMENTS AT API**

32.	Office Lease—New Jersey	Yes	Treated as assignment; consent not unreas. withheld
33.	Wheels, Inc.	No	Leased cars for sales force
34.	Gelco	No	Expense management system for sales force
35.	Inspired Design/Baker Hill	Yes	Software for sales force; Sec 23-consent on sale of business
36.	Elan—MediCal Agreement	No	For continuity with MediCal sales under Elan's NDC no.
37.	Pharmagistics, LLC	Yes	Transfer on sale of business OK
38.	Paychex	No	Payroll/401(k) administration
39.	ProClaim	No	Third party administrator for product liability insurance
40.	NDC Health	No	Market research data
41.	Verispan	No	Market research data
42.	Lexington	No	Product liability insurance

**(Terminated or Inactive)  
AMARIN PHARMACEUTICALS CONTRACTS**

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Mediserv Columbus, OH</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>						<b>Chargeback #CH000200</b>	<b>Revised 01-01-03</b>
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>1/1/2001</b>	
<b>End Date</b>						<b>12/31/2002</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]%off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]% off WAC	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			

No response to extension letter assumed terminated

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Albertsons Scottsdales AZ</u>
<b>Contract Type</b>						
<b>Contracted with</b>						
<b>Begin Date</b>						

End Date						Evergreen	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
Bontril PDM	Tablet	1000			65234-048-90		
Bontril SR (slow release)	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
Capital & Codeine	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
Hydrocet	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
Motofen	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
Motofen	Tablet	100			65234-074-10		
Nolahist	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
Nolahist	Tablet	24			65234-052-24		
Permax	Tablet	30		0.05	59075-0615-30		
Permax	Tablet	100		0.25	59075-0625-10		
Permax	Tablet	100		1	59075-0630-10		
Phrenilin	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
Phrenilin	Tablet	500			65234-050-50		
Phrenilin Forte	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
Phrenilin Forte	Capsule	500			65234-056-50		
Phrenilin Caffeine w/Codeine	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	[ * ]% off WAC	
			Caffeine/Codeine	40mg/30mg			
terminated 10-31-03							

						Allscrips Libertyville, IL (Accepted) #CH001100	Product Price Less WAC Revised 01-01-03	
Contract Type	Form	Size	Generic	Strength	NDC#			
Contracted with							Amarin	
Begin Date							1/1/2001	
End Date							12/31/2003	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]	
Bontril PDM	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]	
Bontril SR (slow release)	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$ [ * ]	
Capital & Codeine	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16			
Hydrocet	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10			
Motofen	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$ [ * ]	
Motofen	Tablet	100			65234-074-10	[ * ]% off WAC	\$ [ * ]	
Nolahist	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$ [ * ]	
Nolahist	Tablet	24			65234-052-24	[ * ]% off WAC	\$ [ * ]	
Permax	Tablet	30		0.05	59075-0615-30			
Permax	Tablet	100		0.25	59075-0625-10			
Permax	Tablet	100		1	59075-0630-10			
Phrenilin	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]	
Phrenilin	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]	
Phrenilin Forte	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]	
Phrenilin Forte	Capsule	500			65234-056-50	[ * ]% off WAC	\$ [ * ]	
Phrenilin Caffeine w/Codeine	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10			
			Caffeine/Codeine	40mg/30mg				
terminated wef 12-31-03								

						Carolina Allied Pharm. Durham, NC (Accepted) Chargeback #CH000100	Product Price Less WAC #REF!	
Contract Type	Form	Size	Generic	Strength	NDC#			
Contracted with							Amarin	
Begin Date							1/1/2001	
End Date							12/31/2003	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]	
Bontril PDM	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]	

<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$	[ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$	[ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$	[ * ]
<b>Motofen</b> <b>Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10			
<b>Nolahist</b> <b>Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24	[ * ]% off WAC [ * ]% off WAC	\$	[ * ] [ * ]
<b>Permax</b> <b>Permax</b> <b>Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 59075-0625-10 59075-0630-10			
<b>Phrenilin</b> <b>Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]% off WAC [ * ]% off WAC	\$	[ * ] [ * ]
<b>Phrenilin Forte</b> <b>Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]% off WAC [ * ]% off WAC	\$	[ * ] [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10			
Contract not extended therefor terminated 1-1-04								

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Scott &amp; White Temple, TX</b>	<b>Product Price Less WAC</b>	
<b>Contracted with</b>						<b>Chargeback #CH000800</b>	<b>Revised 01-01-03</b>	
<b>Begin Date</b>						<b>Amarin</b>		
<b>End Date</b>						<b>1/1/2001</b>		
						<b>12/31/2002</b>		
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]	
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]	
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$ [ * ]	
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$ [ * ]	
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$ [ * ]	
<b>Motofen</b> <b>Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]	
<b>Nolahist</b> <b>Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]	
<b>Permax</b> <b>Permax</b> <b>Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 59075-0625-10 59075-0630-10			
<b>Phrenilin</b> <b>Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]% off WAC	\$ [ * ]	
<b>Phrenilin Forte</b> <b>Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]% off WAC	\$ [ * ]	
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10			
No response to extension letter assumed terminated								

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Scott &amp; White Temple, TX</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Rebate # RB000300</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>1/1/2001</b>	
						<b>12/31/2002</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]%	\$ [ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]%	\$ [ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]%	\$ [ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]%	\$ [ * ]

<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]%	\$	[ * ]
<b>Motofen</b> <b>Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10	[ * ]% [ * ]%	\$ \$	[ * ] [ * ]
<b>Nolahist</b> <b>Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24	[ * ]% [ * ]%	\$ \$	[ * ] [ * ]
<b>Permax</b> <b>Permax</b> <b>Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 59075-0625-10 59075-0630-10			
<b>Phrenilin</b> <b>Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]%	\$	[ * ]
<b>Phrenilin Forte</b> <b>Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]%	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10			
No response to extension letter assumed terminated								

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Harvard Pilgrim Boston, MA</u>	<u>Product Price Less WAC</u>	
<b>Contract Type</b>						<b>CH001800</b>	<b>Revised 01-01-03</b>	
<b>Contracted with</b>						<b>Amarin</b>		
<b>Begin Date</b>						<b>1/1/2001</b>		
<b>End Date</b>						<b>12/31/2002</b>		
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10			
<b>Bontril PDM</b>	Tablet	1000			65234-048-90			
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10			
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16			
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10			
<b>Motofen</b> <b>Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10			
<b>Nolahist</b> <b>Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24			
<b>Permax</b> <b>Permax</b> <b>Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 59075-0625-10 59075-0630-10			
<b>Phrenilin</b> <b>Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]% off WAC [ * ]% off WAC	\$ \$	[ * ] [ * ]
<b>Phrenilin Forte</b> <b>Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]% off WAC [ * ]% off WAC	\$ \$	[ * ] [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10			
No response to extension letter assumed terminated								

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Harvard Pilgrim Boston, MA</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>10/1/1997</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		

<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]%	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]%	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
No response to extension letter assumed terminated							

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Health Alliance Plan of Michigan Detroit, MI</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>9/1/1993</b>	
						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]%	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]%	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]%	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]%	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
No response to extension letter assumed terminated							

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Health Services Corp. of America Bridgeton, MO</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>CH002100</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>1/1/2001</b>	
						<b>12/31/2002</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		



<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
No response to extension letter assumed terminated							

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Cigna (Connecticut general) term 6-30-03</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Evergren</b>	
<b>Begin Date</b>						<b>6/30/2003</b>	
<b>End Date</b>							
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
Dropped off formulary contract termed 6-30-03							

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Humana Louisville, KY CH002200 Amarin 1/1/2000 12/31/2002</b>	<b>Product Price Less WAC Revised 01-01-03</b>
<b>Contracted with</b>							
<b>Begin Date</b>							
<b>End Date</b>							
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]

<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10			
			Caffeine/Codeine	40mg/30mg				
No response to extension letter assumed terminated								

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Humana Louisville, KY</u>	<u>Product Price Less WAC</u>	
<b>Contract Type</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>	
<b>Contracted with</b>						<b>Amarin</b>		
<b>Begin Date</b>						<b>10/1/1997</b>		
<b>End Date</b>						<b>Evergreen</b>		
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10			
<b>Bontril PDM</b>	Tablet	1000			65234-048-90			
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10			
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16			
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10			
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05			
<b>Motofen</b>	Tablet	100			65234-074-10			
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10			
<b>Nolahist</b>	Tablet	24			65234-052-24			
<b>Permax</b>	Tablet	30		0.05	59075-0615-30			
<b>Permax</b>	Tablet	100		0.25	59075-0625-10			
<b>Permax</b>	Tablet	100		1	59075-0630-10			
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]%	\$ [ * ]	
<b>Phrenilin</b>	Tablet	500			65234-050-50			
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]%	\$ [ * ]	
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50			
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10			
			Caffeine/Codeine	40mg/30mg				
No response to extension letter assumed terminated								

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Integrated Pharmaceutical Services Rancho Cordova, Ca</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>7/1/1997</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]%	\$ [ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]%	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]%	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]%	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]%	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]%	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]%	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		

<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
Inactive							
<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>NPA East Hanover, NJ</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>4/1/1999</b>	
						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
Inactive Co does not exist							

<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Pharmaceutical Buyers, Inc Boulder, Co</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>#CH001600</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>11/1/2000</b>	
						<b>12/31/2002</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
No response to extension letter assumed terminated							

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<b>Pharmacy Associates, Inc. Little Rock, AR</b>	<b>Product Price Less WAC</b>
<b>Contract Type</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>7/1/1998</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]%	\$ [ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]%	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]%	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]%	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]%	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]%	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]%	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]%	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]%	\$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
						Inactive	

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<b>Pro-Vantage Brookfield, WI</b>	<b>Product Price Less WAC</b>
<b>Contract Type</b>						<b>Rebate</b>	<b>Revised 01-01-03</b>
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>1/1/1999</b>	
<b>End Date</b>						<b>Evergreen</b>	
						<b>(2% Admin Fee-Quarterly)</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	59075-0625-10		
<b>Permax</b>	Tablet	100		1	59075-0630-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% Stand Form/[ * ]% AdVantage	
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% Stand Form/[ * ]% AdVantage	
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% Stand Form/[ * ]% AdVantage	
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% Stand Form/[ * ]% AdVantage	
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
						Inactive	

**Active Government Contracts  
AMARIN PHARMACEUTICALS INC**

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Delaware Pharm. Assistance Program Newark, DE</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>							
<b>Begin Date</b>						<b>7/1/2003</b>	<b>Fixed Price</b>
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
						All prices calculated quarterly based on medicaid	

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>EPIC Albany NY</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>							
<b>Begin Date</b>						<b>Amarin 4/1/2002</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
						All prices calculated quarterly based on medicaid	

	Form	Size	Generic	Strength	NDC#	LA Medicaid Supplemental Rebate Baton Rouge LA	Product Price Less WAC
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>3/6/2003</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30	[ * ]% minus nat'l medicaid rebate	
<b>Permax</b>	Tablet	100		0.25	65234-025-10	[ * ]% minus nat'l medicaid rebate	
<b>Permax</b>	Tablet	100		1	65234-026-10	[ * ]% minus nat'l medicaid rebate	
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
All prices calculated quarterly based on medicaid							

	Form	Size	Generic	Strength	NDC#	Medicaid (CMS) National Drug Rebate program Baltimore MD	Product Price Less WAC
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>2/6/2001</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
All prices calculated quarterly based on medicaid							

	Form	Size	Generic	Strength	NDC#	Medi-Cal Supplemental Rebate Sacramento CA	Product Price Less WAC
<b>Contract Type Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>6/26/2003</b>	
<b>End Date</b>						<b>3/31/2006</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10		
<b>Nolahist Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24		
<b>Permax Permax Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 65234-025-10 65234-026-10	[ * ]% supplemental [ * ]% supplemental [ * ]% supplemental	
<b>Phrenilin Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50		
<b>Phrenilin Forte Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
All prices calculated quarterly based on medicaid							

	Form	Size	Generic	Strength	NDC#	Minnesota Senior RX St Paul MN	Product Price Less WAC
<b>Contract Type Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>7/1/2002</b>	
<b>End Date</b>						<b>12/31/2005</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10		
<b>Nolahist Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24		
<b>Permax Permax Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 65234-025-10 65234-026-10		
<b>Phrenilin Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50		
<b>Phrenilin Forte Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
All prices calculated quarterly based on medicaid							

	Form	Size	Generic	Strength	NDC#	Missouri Senior RX	Product Price Less WAC
<b>Contract Type Contracted with</b>						<b>Amarin</b>	

Begin Date						10/1/2002
End Date						Evergreen
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	
Bontril PDM	Tablet	1000				65234-048-90
Bontril SR (slow release)	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	
Capital & Codeine	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	
Hydrocet	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	
Motofen	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	
Motofen	Tablet	100				65234-074-10
Nolahist	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	
Nolahist	Tablet	24				65234-052-24
Permax	Tablet	30				59075-0615-30
Permax	Tablet	100	0.05		65234-025-10	
Permax	Tablet	100	1		65234-026-10	
Phrenilin	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	
Phrenilin	Tablet	500				65234-050-50
Phrenilin Forte	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	
Phrenilin Forte	Capsule	500				65234-056-50
Phrenilin Caffeine w/Codeine	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	
			Caffeine/Codeine	40mg/30mg		

All prices calculated quarterly based on medicaid

Contract Type	Form	Size	Generic	Strength	NDC#	New Jersey PAAD trenton NJ	Product Price Less WAC
Contracted with						Amarin	
Begin Date						6/1/2003	
End Date						Evergreen	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
Bontril PDM	Tablet	1000				65234-048-90	
Bontril SR (slow release)	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
Capital & Codeine	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
Hydrocet	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
Motofen	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
Motofen	Tablet	100				65234-074-10	
Nolahist	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
Nolahist	Tablet	24				65234-052-24	
Permax	Tablet	30				59075-0615-30	
Permax	Tablet	100	0.05		65234-025-10		
Permax	Tablet	100	1		65234-026-10		
Phrenilin	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
Phrenilin	Tablet	500				65234-050-50	
Phrenilin Forte	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
Phrenilin Forte	Capsule	500				65234-056-50	
Phrenilin Caffeine w/Codeine	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			

All prices calculated quarterly based on medicaid

Contract Type	Form	Size	Generic	Strength	NDC#	New Jersey Senior Gold Trenton NJ	Product Price Less WAC
Contracted with						Amarin	
Begin Date						6/1/2003	
End Date						Evergreen	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		



<b>Bontril PDM</b>	Tablet	1000			65234-048-90
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05
<b>Motofen</b>	Tablet	100			65234-074-10
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10
<b>Nolahist</b>	Tablet	24			65234-052-24
<b>Permax</b>	Tablet	30		0.05	59075-0615-30
<b>Permax</b>	Tablet	100		0.25	65234-025-10
<b>Permax</b>	Tablet	100		1	65234-026-10
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10
<b>Phrenilin</b>	Tablet	500			65234-050-50
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10
			Caffeine/Codeine	40mg/30mg	
All prices calculated quarterly based on medicaid					

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>PACE Harrisburg PA</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>1/1/2003</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
All prices calculated quarterly based on medicaid							

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>PHS Bethesda, MD</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>5/1/2003</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		

<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05
<b>Motofen</b>	Tablet	100			65234-074-10
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10
<b>Nolahist</b>	Tablet	24			65234-052-24
<b>Permax</b>	Tablet	30		0.05	59075-0615-30
<b>Permax</b>	Tablet	100		0.25	65234-025-10
<b>Permax</b>	Tablet	100		1	65234-026-10
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10
<b>Phrenilin</b>	Tablet	500			65234-050-50
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10
			Caffeine/Codeine	40mg/30mg	
Prices calculated qtrly 340B calc					

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Vermont PATH Waterburg VT</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>1/1/2003</b>	
<b>End Date</b>						<b>Evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
						All prices calculated quarterly based on medicaid	

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Wisconsin Senior Care</u>	<u>Product Price Less WAC</u>
<b>Contract Type</b>							
<b>Contracted with</b>						<b>Amarin</b>	
<b>Begin Date</b>						<b>9/1/2003</b>	
<b>End Date</b>							<b>Revised 01-01-03</b>
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		

<b>Motofen</b>	Tablet	100			65234-074-10	
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	
<b>Nolahist</b>	Tablet	24			65234-052-24	
<b>Permax</b>	Tablet	30		0.05	59075-0615-30	
<b>Permax</b>	Tablet	100		0.25	65234-025-10	
<b>Permax</b>	Tablet	100		1	65234-026-10	
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	
<b>Phrenilin</b>	Tablet	500			65234-050-50	
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	
			Caffeine/Codeine	40mg/30mg		
All prices calculated quarterly based on medicaid						

**(Current)**  
**AMARIN PHARMACEUTICALS CONTRACTS**

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Aetna Atlanta GA</u>	<u>Product Price Less WAC</u>
<b>Contract Type Contracted with</b>							
<b>Begin Date</b>						<b>4/1/2002</b>	
<b>End Date</b>						<b>12/31/2004</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30	[ * ]% off WAC	\$ [ * ]
<b>Permax</b>	Tablet	100		0.25	65234-025-10	[ * ]% off WAC	\$ [ * ]
<b>Permax</b>	Tablet	100		1	65234-026-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10		
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10		
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
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	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Cardinal Preferred Program GWSA</u>	<u>Product Price Less WAC</u>
<b>Contract Type Contracted with</b>							
<b>Begin Date</b>						<b>9/1/2002</b>	
<b>End Date</b>						<b>evergreen</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		

<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	
<b>Nolahist</b>	Tablet	24			65234-052-24	
<b>Permax</b>	Tablet	30		0.05	59075-0615-30	
<b>Permax</b>	Tablet	100		0.25	65234-025-10	
<b>Permax</b>	Tablet	100		1	65234-026-10	
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	
<b>Phrenilin</b>	Tablet	500			65234-050-50	
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	[ * ]% off WAC plus contract price of [ * ]
			Caffeine/Codeine	40mg/30mg		
						plus additional [ * ]% discount for K Mart & [ * ]% to Medicine Shoppe, Kerr drugs, Winn Dixie and Cigna

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Kaiser Permanente Added 1/29/02</u>	<u>Product Price Less WAC</u>
<b>Contract Type Contracted with Begin Date End Date</b>						<b>EC2052 Amarin 7/1/2002 9/30/2004</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30	\$	[ * ]
<b>Permax</b>	Tablet	100		0.25	65234-025-10	\$	[ * ]
<b>Permax</b>	Tablet	100		1	65234-026-10	\$	[ * ]
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	\$	[ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		
							Fixed price contract

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Caremark Chicago IL</u>	<u>Product Price Less WAC</u>
<b>Contract Type Contracted with Begin Date End Date</b>						<b>Amarin 4/1/2003 3/31/2005</b>	<b>0</b>
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05		
<b>Motofen</b>	Tablet	100			65234-074-10		
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10		
<b>Nolahist</b>	Tablet	24			65234-052-24		
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		

<b>Permax</b>	Tablet	100		0.25	65234-025-10			
<b>Permax</b>	Tablet	100		1	65234-026-10			
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	[ * ]% off WAC	\$	[ * ]
			Caffeine/Codeine	40mg/30mg				

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<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>PharmaCare (PDM) Cleveland, OH</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Chargeback #CH000300</b>	<b>Revised 01-01-03</b>
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>11/4/2003</b>	
						<b>12/31/2004</b>	
						<b>(3% Admin Fee-Quarterly)</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$ [ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$ [ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]% off WAC	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50		
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50		
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			

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<b>Contract Type</b>	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>PPSC Pharmacy Select Talahassee FL</b>	<b>Product Price Less WAC</b>
<b>Contracted with</b>						<b>Chargeback #CH002400</b>	
<b>Begin Date</b>						<b>Amarin</b>	
<b>End Date</b>						<b>1/1/2004</b>	
						<b>12/31/2004</b>	
						<b>(2% Admin Fee-Quarterly)</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$ [ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$ [ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$ [ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$ [ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]% off WAC	\$ [ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30		
<b>Permax</b>	Tablet	100		0.25	65234-025-10		
<b>Permax</b>	Tablet	100		1	65234-026-10		
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$ [ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$ [ * ]

<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		\$	[ * ]
			Caffeine/Codeine	40mg/30mg				
Pharmacy select includes PPSC, PACE and Servall								
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	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>Pharmacy Bus.Assoc. Kansas City, MO (Truecare) (Accepted)</b>	<b>Product Price Less WAC</b>	
<b>Contract Type</b>						<b>Chargeback #CH001500</b>	<b>Revised 01-01-03</b>	
<b>Contracted with</b>						<b>Amarin</b>		
<b>Begin Date</b>						<b>1/1/2004</b>		
<b>End Date</b>						<b>12/31/2004</b>		
						<b>(3% Admin Fee-Quarterly)</b>		
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$	[ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$	[ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$	[ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$	[ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$	[ * ]
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05			
<b>Motofen</b>	Tablet	100			65234-074-10			
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$	[ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]% off WAC	\$	[ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30			
<b>Permax</b>	Tablet	100		0.25	65234-025-10			
<b>Permax</b>	Tablet	100		1	65234-026-10			
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10	[ * ]% off WAC	\$	[ * ]
			Caffeine/Codeine	40mg/30mg				
7								

	<b>Form</b>	<b>Size</b>	<b>Generic</b>	<b>Strength</b>	<b>NDC#</b>	<b>ServAll Gahanna, OH (Accepted)</b>	<b>Product Price Less WAC</b>	
<b>Contract Type</b>						<b>Chargeback #CH001200</b>	<b>Revised 01-01-03</b>	
<b>Contracted with</b>						<b>Amarin</b>		
<b>Begin Date</b>						<b>1/1/2004</b>		
<b>End Date</b>						<b>12/31/2004</b>		
						<b>(2% Admin Fee-Quarterly)</b>		
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$	[ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$	[ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$	[ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$	[ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$	[ * ]
<b>Motofen</b>	Tablet	50	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05	[ * ]% off WAC	\$	[ * ]
<b>Motofen</b>	Tablet	100			65234-074-10	[ * ]% off WAC	\$	[ * ]
<b>Nolahist</b>	Tablet	100	Phenindamine Tartrate	25mg	65234-052-10	[ * ]% off WAC	\$	[ * ]
<b>Nolahist</b>	Tablet	24			65234-052-24	[ * ]% off WAC	\$	[ * ]
<b>Permax</b>	Tablet	30		0.05	59075-0615-30			
<b>Permax</b>	Tablet	100		0.25	65234-025-10			
<b>Permax</b>	Tablet	100		1	65234-026-10			
<b>Phrenilin</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-050-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin</b>	Tablet	500			65234-050-50	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	100	Butalbital/Acetaminophen	50mg/650mg	65234-056-10	[ * ]% off WAC	\$	[ * ]
<b>Phrenilin Forte</b>	Capsule	500			65234-056-50	[ * ]% off WAC	\$	[ * ]

<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen	50mg/325mg	65234-061-10		
			Caffeine/Codeine	40mg/30mg			
							Contract now falls under Pharmacy Select
8							

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>Medco Franklin Lakes NJ Rebate</u>	<u>Product Price Less WAC Revised 01-01-03</u>
<b>Contract Type Contracted with Begin Date End Date</b>						<b>Amarin 10/1/2000 12/31/2006</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10		
<b>Bontril PDM</b>	Tablet	1000			65234-048-90		
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
<b>Motofen Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Nolahist Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24		
<b>Permax Permax Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 65234-025-10 65234-026-10	up to [ * ]% off WAC up to [ * ]% off WAC up to [ * ]% off WAC	\$ [ * ] \$ [ * ] \$ [ * ]
<b>Phrenilin Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Phrenilin Forte Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10	[ * ]% off WAC	
							Permax discount dependent on market share

	<u>Form</u>	<u>Size</u>	<u>Generic</u>	<u>Strength</u>	<u>NDC#</u>	<u>PACE Alliance Lawrence, KS CH001900</u>	<u>Product Price Less WAC Revised 01-01-03</u>
<b>Contract Type Contracted with Begin Date End Date</b>						<b>Amarin 1/1/2004 12/31/2004</b>	
<b>Bontril PDM</b>	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% off WAC	\$ [ * ]
<b>Bontril PDM</b>	Tablet	1000			65234-048-90	[ * ]% off WAC	\$ [ * ]
<b>Bontril SR (slow release)</b>	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10	[ * ]% off WAC	\$ [ * ]
<b>Capital &amp; Codeine</b>	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16	[ * ]% off WAC	\$ [ * ]
<b>Hydrocet</b>	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10	[ * ]% off WAC	\$ [ * ]
<b>Motofen Motofen</b>	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Nolahist Nolahist</b>	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Permax Permax Permax</b>	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 65234-025-10 65234-026-10		
<b>Phrenilin Phrenilin</b>	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Phrenilin Forte Phrenilin Forte</b>	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50	[ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ]
<b>Phrenilin Caffeine w/Codeine</b>	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		

Contract Type Contracted with Begin Date End Date	Form	Size	Generic	Strength	NDC#	Prime Therapeutics St Paul MN	Product Price Less WAC Revised 01-01-03
						Amarin 4/1/2002 3/31/2005	
Bontril PDM	Tablet	100	Phendimetrazine Tartrate	35mg	65234-048-10	[ * ]% Admin Fee Plus:	
Bontril PDM	Tablet	1000			65234-048-90		
Bontril SR (slow release)	Capsule	100	Phendimetrazine Tartrate	105mg	65234-047-10		
Capital & Codeine	Susp	473ml	Acetaminophen and Codeine Phosphate	120mg/12mg	65234-046-16		
Hydrocet	Capsule	100	Hydrocodone Bitartrate/Acetaminophen	5mg/500mg	0086-0057-10		
Motofen Motofen	Tablet Tablet	50 100	Difenoxin HCL/Atropine Sulfate	1mg/0.025mg	65234-074-05 65234-074-10		
Nolahist Nolahist	Tablet Tablet	100 24	Phenindamine Tartrate	25mg	65234-052-10 65234-052-24		
Permax Permax Permax	Tablet Tablet Tablet	30 100 100		0.05 0.25 1	59075-0615-30 65234-025-10 65234-026-10	[ * ]% off WAC [ * ]% off WAC [ * ]% off WAC	\$ [ * ] \$ [ * ] \$ [ * ]
Phrenilin Phrenilin	Tablet Tablet	100 500	Butalbital/Acetaminophen	50mg/325mg	65234-050-10 65234-050-50		
Phrenilin Forte Phrenilin Forte	Capsule Capsule	100 500	Butalbital/Acetaminophen	50mg/650mg	65234-056-10 65234-056-50		
Phrenilin Caffeine w/Codeine	Tablet	100	Butalbital/Acetaminophen Caffeine/Codeine	50mg/325mg 40mg/30mg	65234-061-10		

**SCHEDULE 4.18**

Insurance

Amarin Corporation, plc is an additional named insured under the products liability insurance policy shown on the attached schedule.

**SCH 4.18 Insurance Coverage of Amarin Pharmaceuticals Inc.**

Policy Detail	Coverage	Period covered	Company	Annual Premium
Property & General Liability Coverage	Property \$625K. Electronic Eqpt \$300K General Aggregate \$2M. Personal Injury \$1M Damage to rented property \$1M	10/1/03-10/1/04	The Chubb Group	\$ [ * ]
Automobile Insurance	Liability and Uninsured motorist \$1M	5/15/03-5/15-04	Hartford Insurance	\$ [ * ]
Umbrella Liability Insurance	\$3M Each Occurrence	10/1/03-10/1/04	The Chubb Group	\$ [ * ]
Workers Compensation	\$1M Employers Liability all states excl OH WA WY WV ND	10/1/03-10/1/04	The Chubb Group	\$ [ * ]
Earthquake Insurance	\$475K on Belvedere Place	12/3/02-12/3/03	Essex Insurance Company	\$ [ * ]
Products Liability	\$10M each occurrence/\$10M aggregate Retention \$250K. Claims Made basis	12/22/03-12/22/04	Lexington Insurance Company	\$ [ * ]



**SCHEDULE 4.19**

Environmental Matters

API has normal office solvents/computer supplies at the Mill Valley facility, and did so during its occupancy of the New Jersey Facility.

**SCHEDULE 4.20**

Employees

- (a) See attached and updated employee census as of the date of this Agreement.
- (b) None
- (c) 2003 terminations by API (not including voluntary resignations):
  - a. Eric Short—General Ledger Accountant—January, 2003—performance related; release obtained
  - b. Michael Wess—VP, Scientific and Medical Affairs—July, 2003—performance related; release obtained
  - c. Anne Lagano—Sales Representative—August, 2003—performance related; no release obtained (see Schedule 4.15, above)



**PHARMACEUTICALS, INC.  
Employee Census as of 1/26/03**

Employee Name (last, first, middle initial)	Occupation/Job Title	Employee Location	Date of Hire (mm/dd/yyyy)	Sex	Severance Benefit(1)	Basic Monthly Earnings	State/ Zip Code	Supervisor	Department	Health Insurance Enrolled?	Coverage(2)
1 [ * ]	Neurology Sales Specialist	Field	10/8/2001	F	2 months	\$ [ * ]	CA 92692	Katie Hanstad	S&M	Y	E
2 [ * ]	Senior Regional Manager, Sales	Field	10/12/2001	M	2 months	\$ [ * ]	MA 02052	Steve Guillen	S&M	Y	F
3 [ * ]	Neurology Sales Specialist	Field	10/8/2001	M	2 months	\$ [ * ]	FL 33176	Stephen Ornella	S&M	Y	E
4 [ * ]	[ * ]	MV	1/2/2002	M	See note (3)	\$ [ * ]	CA, 94920	Rick Stewart	G&A	Y	F
5 [ * ]	Vice President, Regulatory	MV	7/9/2002	F	6 months	\$ [ * ]	CA, 94920	Michael Coffee	Regulatory	Y	ES
6 [ * ]	Neurology Sales Specialist	Field	11/4/2002	M	2 months	\$ [ * ]	MA, 02108	Eric Baker	S&M	Y	E
7 [ * ]	Neurology Sales Specialist	Field	8/25/2003	M	2 months	\$ [ * ]	PA 15650	Eric Baker	S&M	Y	E
8 [ * ]	Neurology Sales Specialist	Field	9/2/2003	F	2 months	\$ [ * ]	MO 63141	Katie Hanstad	S&M	Y	E
9 [ * ]	Senior Director of Marketing	MV	2/18/2002	F	4 months	\$ [ * ]	CA 94015	Steve Guillen	S&M	Y	ES
10 [ * ]	Accounts Payable Assistant	MV	10/23/2002	F	2 months	\$ [ * ]	CA 94945	Christine Hergenrother	Finance	Y	EC
11 [ * ]	Director of Trade & Customer Dev	MV	2/4/2002	M	2 months	\$ [ * ]	CA 94112	Steve Guillen	S&M	Y	EC
12 [ * ]	Vice President, Sales & Marketing	MV	7/9/2001	M	See note (4)	\$ [ * ]	CA 94920	Mike Coffee	S&M	Y	F
13 [ * ]	Director, Managed Care	MV	3/4/2002	M	2 months	\$ [ * ]	CA 94957	Steve Guillen	S&M	Y	EC
14 [ * ]	Regional Manager, Sales	Field	2/3/2003	F	2 months	\$ [ * ]	CA 94115	Steve Guillen	S&M	Y	E
15 [ * ]	Controller	MV	9/30/2002	F	2 months	\$ [ * ]	CA 94952	Michael Winsor	Finance	Y	EC
16 [ * ]	[ * ]	MV	7/2/2001	M	See note (3)	\$ [ * ]	CA 94920	Mike Coffee	G&A	Y	F
17 [ * ]	Associate Director, Info Systems	MV	9/24/2001	M	2 months	\$ [ * ]	CA 94030	Steve Guillen	S&M	N	W
18 [ * ]	Marketing Manager	MV	10/21/2002	F	2 months	\$ [ * ]	CA 94556	Gretchen Fieschko	S&M	Y	E
19 [ * ]	Director, Technical Affairs	MV	3/31/2003	F	2 months	\$ [ * ]	CA 94002	Margie Nemcik-Cruz	Regulatory	Y	F
20 [ * ]	Director of Training	MV	4/1/2002	F	2 months	\$ [ * ]	CA 94010	Steve Guillen	S&M	Y	F
21 [ * ]	Neurology Sales Specialist	Field	10/8/2001	M	2 months	\$ [ * ]	NY 14094	Eric Baker	S&M	Y	F
22 [ * ]	Neurology Sales Specialist	Field	10/8/2001	M	2 months	\$ [ * ]	AZ 85044	Katie Hanstad	S&M	Y	E
23 [ * ]	Neurology Sales Specialist	Field	10/8/2001	M	2 months	\$ [ * ]	NJ 07643	Eric Baker	S&M	Y	F
24 [ * ]	Senior Executive Assistant	MV	10/1/2001	F	2 months	\$ [ * ]	CA, 94014	Mike Coffee	G&A	N	W
25 [ * ]	Assoc. Manager, Mktg. Operations	MV	4/29/2002	F	2 months	\$ [ * ]	CA 94118	Gretchen Fieschko	S&M	Y	E
26 [ * ]	Neurology Sales Specialist	Field	10/8/2001	F	2 months	\$ [ * ]	RI 02840	Eric Baker	S&M	Y	E
27 [ * ]	Neurology Sales Specialist	Field	10/8/2001	M	2 months	\$ [ * ]	KS 66062	Katie Hanstad	S&M	Y	F
28 [ * ]	Senior Director, Medical Affairs	MV	2/11/2002	F	4 months	\$ [ * ]	CA 94404	Bimmie Strausser	Medical	Y	EC
29 [ * ]	Neurology Sales Specialist	Field	10/8/2001	F	2 months	\$ [ * ]	PA 19382	Eric Baker	S&M	Y	F
30 [ * ]	VP, Clinical and Medical Affairs	MV	8/1/2003	M	See note (4)	\$ [ * ]	CA 94127	Mike Coffee	Medical	Y	E
31 [ * ]	Neurology Sales Specialist	Field	8/25/2003	F	2 months	\$ [ * ]	GA 30305	Stephen Ornella	S&M	Y	E
32 [ * ]	Neurology Sales Specialist	Field	12/9/2002	F	2 months	\$ [ * ]	LA 70119	Stephen Ornella	S&M	Y	E

- (1) "Months" means salary and benefits continuation for that period from date of job elimination, reduction or relocation.
- (2) E - Employee only  
EC - Employee + child  
ES -Employee + Spouse  
F - Family  
W - Waived Coverage
- (3) See contract. Generally provides for 12 months' salary and benefits continuation, plus one additional month for each year or part year of service (max. 18 mo. total); outplacement; stock option treatment.
- (4) See contract. Generally provides for 6 months' salary and benefits continuation, plus one additional month for each year or part year of service (max. 12 mo. total); outplacement; stock option treatment.

TEMPORARY EMPLOYEES

Pickrel, Michele	Marketing Coordinator	MV	F	none	Steve Guillen	S&M	N/A
Yankey, Jeannie	Regulatory Assistant	MV	F	none	Margie Nemcik-Cruz	Regulatory	N/A

**SCHEDULE 4.22**

Intellectual Property Assets

(e) **Trademarks:** The following are the trademarks relevant to the API Products (owned by API unless otherwise noted):

**Currently marketed products:**

- Bontril® (trademark renewed January 6, 2004) (owned by Seller; to be conveyed to Buyer or designee at Closing)
- Motofen®
- Nolahist®
- Capital™ & Codeine Suspension (trademark lapsed; renewal application in process; filed on October 17, 2003) (owned by Seller; to be conveyed to Buyer or designee at Closing)
- Phrenilin®
- Permax® (owned by Eli Lilly and licensed to Seller under the Eli Lilly/Amarin Agreement)

**Discontinued products:**

- Amen®
  - Hydrocet®
  - Salflex®
- Trademarks have lapsed for the following discontinued products; Amarin does not intend to renew these marks: Theo-X™, Propagest™, Exgest™, Sinulin™ and Nolamine™

**Development product:**

- Zelapar™ (owned by Elan, to be conveyed to Seller or its designee at Closing)

**Copyrights**—none, except for any common law copyright rights associated with marketing and other materials used in promotion of the Products

**Patents**—none, except for licensed patents through Lilly and Scherer agreements

- (e)(iv) With respect to Hydrocet, API has entered into an agreement with Xanodyne not to contest or sue over the proposed use by Xanodyne of a particular trademark contemplated for use by Xanodyne which could be considered as infringing on the Hydrocet mark.

**SCHEDULE 5.2**

Authority: No Conflict

See the references made in Schedule 3.2, above.

**SCHEDULE 6.9**

API Liabilities

## SCHEDULE 11.3

## Designated Inventory

Wholesaler		Units	WAC / Purchase Price	Acquisition cost	Service fee	Total Cost
QK	Phrenilin 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin 500's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin Forte 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin Forte 500's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 1mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril PDM 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril PDM 1000's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril SR 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Nolahist 24's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Total						
Acquisition						
Cost						\$ [ * ]
Freight						\$ [ * ]
Total Disposal						
Cost						\$ [ * ]
Total Cost						\$ [ * ]

Note: The total quantity purchased will vary as a function of the available product and negotiated price within individual accounts

**AMENDMENT NO. 1  
TO  
ASSET PURCHASE AGREEMENT**

This Amendment No. 1 to the Asset Purchase Agreement (the “**Amendment**”) is made and entered into this 25th day of February, 2004, by and between Valeant Pharmaceuticals International, a Delaware corporation (“**Buyer**”), and Amarin Corporation plc, a public limited company incorporated in England and Wales (“**Amarin**”) and Amarin Pharmaceuticals Company Limited, a limited company incorporated in England and Wales (“**APCL**”) (Amarin and APCL being hereinafter from time to time referred to collectively as the “**Sellers**”).

**WITNESSETH:**

**WHEREAS**, Buyer and Sellers have previously entered into that certain Asset Purchase Agreement, dated February 11, 2004 (the “**Asset Purchase Agreement**”);

**WHEREAS**, Buyer and Sellers desire to amend the Asset Purchase Agreement to provide for a re-distribution of certain portions of the Purchase Price to be paid by Buyer under the Asset Purchase Agreement;

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1  
DEFINITIONS AND USAGE**

**1.1 DEFINITIONS**

For purposes of this Amendment, capitalized terms used but not otherwise defined in this Amendment will have the meaning ascribed to such terms

**1.2 USAGE**

(a) *Interpretation.* In this Amendment, unless a clear contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (iii) reference to any gender includes each other gender;
- (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

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(v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

(vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;

(viii) “or” is used in the inclusive sense of “and/or”;

(ix) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”; and

(x) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

(b) *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with UK GAAP.

(c) *Legal Representation of the Parties.* This Amendment was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

**ARTICLE 2  
AMENDMENTS**

**2.1 AMENDMENT TO SECTION 2.7 OF ASSET PURCHASE AGREEMENT**

**“2.7 API ADJUSTMENT AMOUNT AND PAYMENT**

“(a) As promptly as reasonably practicable following the Closing, Buyer shall prepare, and Buyer and Amarin shall jointly agree upon, a balance sheet of API (the “**API Closing Balance Sheet**”) as of the Closing Date on the same basis and applying the same accounting principles, policies and practices as were used in preparing the Pro Forma Closing Balance Sheet (as set out in Schedule 2.7 hereto). Each of the Buyer and Amarin shall give the other (or procure that the other has) access, through its employees, agents and advisers (provided that each party shall be

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entitled, at its option, to have its Representatives present), to all relevant files and/or working papers (with the right to take copies) in their possession or control to the extent that they are required in connection with the preparation and/or review of the API Closing Balance Sheet. The Buyer shall submit the draft API Closing Balance Sheet to Amarin for review within 30 calendar days after Closing. Once accepted by Amarin or otherwise agreed upon by Amarin and Buyer, the API Closing Balance Sheet shall be binding upon the parties. To avoid potential duplication between this Section 2.7 and Section 11.3, the API Closing Balance Sheet shall reflect the completion of the inventory repurchase under Section 11.3 whether or not the inventory repurchase has in fact been completed. In addition, the API Closing Balance Sheet shall contain the same fair value adjustments in the same amount as contained in the Pro-Forma Closing Balance Sheet.”

**2.2 AMENDMENT TO SECTION 11.3 OF ASSET PURCHASE AGREEMENT**

Section 11.3 of the Asset Purchase Agreement is hereby amended to read in its entirety as follows:

**“11.3 REDUCTION OF INVENTORY**

“(a) As promptly as reasonably practicable after the execution and delivery of this Agreement, Amarin shall use Best Efforts to enter into inventory repurchase agreements (the “Repurchase Agreements”) with each of Quality King Health Care, Cardinal Distribution, Amerisource Bergen and McKesson Drug Company (collectively, the “Key Wholesalers”) providing for the repurchase by Amarin at its own cost of certain inventory held by such distributors. The Repurchase Agreements shall be reasonably acceptable to Buyer. Under the Repurchase Agreements, Amarin shall seek to repurchase the quantities of inventory set forth in Schedule 11.3 hereto (the “Designated Inventory”) at the prices indicated therein; provided, however, that in Amarin’s sole discretion it may repurchase any portion of the Designated Inventory at prices exceeding those set forth in Schedule 11.3, up to a maximum of 10% above the scheduled prices. To the extent Amarin effects any repurchases at a price higher than that set forth in Schedule 11.3, the quantity of Designated Inventory that Amarin shall seek to repurchase from the relevant Key Wholesaler(s) (as set forth on Schedule 11.3) will be proportionately reduced. Each of the Repurchase Agreements, and the obligations thereunder of Amarin and the respective Key Wholesalers, shall be subject to and conditioned upon the consummation of the Closing under this Agreement (except to the extent any Repurchase Agreements are entered into after the Closing as contemplated in Section 11.3(b) below). The Repurchase Agreements shall provide that (i) Amarin’s obligation to pay for repurchased inventory shall be subject to confirmation of the receipt and authenticity of the applicable inventory to Amarin’s reasonable satisfaction and (ii) Amarin shall use its Best Efforts to cause any or all repurchased inventory to be destroyed. The Repurchase Agreements shall give Amarin the option of using repurchasing agents or other third parties reasonably acceptable to Buyer to perform any of Amarin’s obligations under this Section 11.3. Notwithstanding anything herein to the contrary, in no event shall Amarin be required to pay more than Nine Million Seven Hundred Fourteen Thousand

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Dollars (\$9,714,000) in performing its obligations under this Section 11.3, which limitation shall apply to all costs and expenses incurred by Amarin in effecting the repurchase of Designated Inventory including the costs of repurchase and any administrative fees, third party costs including fees and expenses of any repurchasing agent, and costs of destroying repurchased inventory.

“(b) Amarin and Buyer acknowledge and agree that the Closing hereunder shall not be contingent on Amarin’s ability to enter into any Repurchase Agreements and the execution of Repurchase Agreements shall not constitute a condition to the obligation of either party to consummate the Closing. In the event that upon Closing (i) any of the Key Wholesalers has not entered into a Repurchase Agreement providing for the repurchase of Designated Inventory on the terms contemplated herein or (ii) Amarin is otherwise unable to obtain Repurchase Agreements for the repurchase of all or any portion of the Designated Inventory within the price range specified herein, then the parties shall proceed with the Closing (subject to the satisfaction of all applicable conditions set forth in this Agreement), and for a period of 60 days after the Closing Date Amarin shall continue to use its Best Efforts to enter into Repurchase Agreements in a total amount not to exceed Nine Million Three Hundred Thousand Dollars (\$9,300,000) with respect to any Designated Inventory not then covered by a Repurchase Agreement. Upon the expiration of such 60-day period, Amarin’s obligation to effect the Repurchase Agreements under this Section 11.3 shall automatically terminate and Amarin shall have no further obligations whatsoever hereunder (other than its obligations under any Repurchase Agreements then in effect), provided that thereafter Amarin shall pay to Buyer the following amounts: (i) within twenty (20) days following the expiration of such 60-day period, Amarin shall pay Buyer an amount equal to the difference between (A) Nine Million Three Hundred Thousand Dollars (\$9,300,000) and (B) the aggregate amount of costs and expenses incurred by Amarin as of such date in performing its obligations under this Section 11.3; and (ii) upon Successful Completion of the Zelapar R&D Studies in accordance with Section 2.2.(a), and only then, Amarin shall repurchase an additional Four Hundred Fourteen Thousand Dollars (\$414,000) of inventory in accordance with Section 11.3(a).

“(c) In addition to the foregoing, within sixty (60) days of Closing, Amarin shall pay a total of \$1.2 million to certain of the Key Wholesalers to reduce or eliminate the credit balances claimed to be due to such Key Wholesalers, as shown on Schedule 4.8, provided that if Amarin does not pay the full \$1.2 million to the Key Wholesalers in accordance herewith within such sixty (60) day period, then Amarin shall immediately pay the unexpended portion of such \$1.2 million to Buyer.”

**2.3 AMENDED SCHEDULES**

The following revisions are made, effective as of the date of this Amendment, to the Schedules attached to the Asset Purchase Agreement:

Schedule 3.6: an additional item 7 is added: During 2003, following the introduction of generic pergolide into the market, Amarin discontinued its indigent patient assistance program.

Schedule 3.9: The column heading reference to "Amarin" owning NDA/ANDAs (unless otherwise noted) should be to API.

Schedule 4.16: The final Lilly settlement amount is revised to \$928,646.20.

Schedule 4.20: The severance benefit reference for Steve Guillen should be to Note 3.

Schedule 11.3: The schedule for Designated Inventory is amended in its entirety to read as attached to this Amendment.

**2.4 NO OTHER AMENDMENTS**

Except as amended by this Amendment, all other provisions of the Asset Purchase Agreement remain unmodified and in full force and effect.

**ARTICLE 3  
GENERAL PROVISIONS**

**3.1 SEVERABILITY**

If any provision of this Amendment is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Amendment will remain in full force and effect. Any provision of this Amendment held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

**3.2 GOVERNING LAW**

This Agreement will be governed by and construed under the laws of the State of California without regard to conflicts-of-laws principles that would require the application of any other law.

**3.3 EXECUTION OF AMENDMENT**

This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Amendment and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original Amendment for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SELLER:

AMARIN CORPORATION PLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SELLER:

AMARIN PHARMACEUTICALS COMPANY  
LIMITED

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUYER:

VALEANT PHARMACEUTICALS  
INTERNATIONAL

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SCHEDULE 11.3

## Designated Inventory

Wholesaler		Units	WAC / Purchase Price	Acquisition cost	Service fee	Total Cost
QK	Phrenilin 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin 500's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin Forte 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Phrenilin Forte 500's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Permax 1mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril PDM 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril PDM 1000's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Bontril SR 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
QK	Nolahist 24's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
McKesson 1-4-04	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Bergen 12/23/03	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 0.05mg 30's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 0.25mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Cardinal	Permax 1.0mg 100's	[ * ]	[ * ]	\$ [ * ]	[ * ]%	\$ [ * ]
Total Acquisition Cost						\$ [ * ]
Freight						\$ [ * ]
Total Disposal Cost						\$ [ * ]
Total Cost						\$ [ * ]

Note: The total quantity purchased will vary as a function of the available product and negotiated price within individual accounts

Date 25<sup>TH</sup> FEBRUARY 2004

AMARIN CORPORATION PLC,

AND

VALEANT PHARMACEUTICALS INTERNATIONAL,

DEVELOPMENT AGREEMENT

INDEX

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DATE 25 FEBRUARY 2004

**PARTIES:**

- (1) **AMARIN CORPORATION PLC** (registered in England and Wales under company number 2353920) whose registered office is at 7 Curzon Street, London W1J 5HG ("**Amarin**"); and
- (2) **VALEANT PHARMACEUTICALS INTERNATIONAL**, a Delaware corporation having its headquarters at 3300 Hyland Avenue, Costa Mesa, California 92626 ("**Valeant**").

**RECITALS:**

- (A) R P Scherer Corporation ("Scherer") and Elan Pharma International Limited ("Elan") entered into a License and Supply Agreement, dated February 25, 1999, as amended (the "Scherer Agreement") pursuant to which, among other things, Scherer granted Elan a license to use and sell (but not manufacture) a formulation of selegiline hydrochloride using certain patented Zydis® technology (the "Product") in a territory including the United States.
- (B) With Scherer's consent, Elan and Amarin entered into an option agreement (as amended, the Amended and Restated Option Agreement, dated August 4, 2003 and the letter agreement dated 23<sup>rd</sup> December 2003 (the "Option Agreement") pursuant to which, among other things, Elan granted Amarin the option (the "Option") to obtain the exclusive transfer and assignment of the rights under the Scherer Agreement to use and sell (but not manufacture) the Product (presently known as Zelapar™) in the United States (the "Territory"), together with certain related information, data, and know-how (collectively, the "Rights").
- (C) Amarin and Valeant have entered into an Asset Purchase Agreement, dated February 11, 2004 (the "Asset Purchase Agreement") pursuant to which, among other things, Amarin has agreed to (i) exercise the Option under the Option Agreement, and (ii) then to convey the Rights on to Valeant.
- (D) The closing of the Asset Purchase Agreement is conditioned upon, among other things, (i) the receipt from Cardinal Health, Inc. (as successor-in-interest by merger to Scherer under the License Agreement) ("Cardinal") of Cardinal's consent to Elan's assignment of the Rights to Assignee, and (ii) the acknowledgment by the parties hereto of the satisfaction and/or the assumption and continuation of certain obligations by the parties under the License Agreement and the Option Agreement, as amended hereby.
- (E) Upon Amarin's exercise of the Option, in accordance with the terms of the Option Agreement, Amarin shall pay to Elan Corporation plc (or such other party as it shall direct) the sum of seventeen million dollars (\$17,000,000) which, among other items,



includes the consideration for the conveyance of the Rights and any other rights it may have in Product, as defined in the Option Agreement.

- (F) This Agreement sets out the parties' obligations and rights relating to the development and registration of the Product in the Territory and is being entered into in light of the foregoing, is contingent upon and will be delivered at the closing of the transactions above as a part of consummating such transaction.

**NOW IT IS AGREED** in consideration of the mutual promises and undertakings set out herein as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 Definitions:

**In this Agreement:**

**"Assignment Agreement"** shall mean the assignment and assumption agreement of today's date between Amarin, Valeant and Elan;

**"Commercially Reasonable Efforts"** shall mean efforts consistent with the exercise of prudent business judgment as applied to other clinical, regulatory and/or commercialization efforts for products of similar performance and potential as would be undertaken in the pharmaceutical industry, but not less than those efforts applied by that party to other similar products of its own product line;

**"Development Plan"** shall mean the Project Plan, Timeline and Protocol for the Zelapar Study set out in the Schedule to this Agreement, as they may be amended from time to time in accordance herewith;

**"DSC"** the Development Steering Committee which shall be appointed and shall operate in accordance with the provisions of Clause 4;

**"FDA"** the Food and Drug Administration of the United States Government or any successor thereto;

**"NDA"** shall mean a New Drug Application and all supplements filed pursuant to the requirements of the FDA, including all documents, data and other information concerning the Product which are necessary for, or included in, FDA approval to market the Product in the United States of America;

**"Successful Completion"** shall mean the earlier of (i) the date of completion, to the reasonable satisfaction of the DSC, of all of the individual phases or aspects of the Zelapar Study as prescribed in the Development Plan, or (ii) the date of a submission to the FDA which seeks FDA approval of the Product in the Territory.

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**"Zelapar Study"** shall mean such study or studies as are identified in the Development Plan as necessary to achieve approval of the NDA by the FDA in Parkinson's disease.

1.2 Interpretation

1.2.1 any reference to "Amarin" or the "Valeant" shall be construed so as to include its and any subsequent successors and any permitted transferees in accordance with their respective interests;

1.2.2 references in this Agreement to any Clause or Schedule shall be to a clause or schedule contained in this Agreement;

1.2.3 the expressions "include", "includes", "including", "in particular" and similar expressions shall be construed without limitation; and

1.2.4 unless the context otherwise requires, a reference to a statute or any provision thereof is to be construed as a reference to that statute or such provision thereof as it may be amended, modified, extended, consolidated, re-enacted or replaced from time to time and shall also include all by-laws, instruments, orders and regulations for the time being made thereunder or otherwise deriving validity therefrom.

2. **PURSUIT OF PRODUCT APPROVAL WITH FDA**

During the term of this Agreement, Amarin shall be responsible for the implementation of the Zelapar Study as more particularly provided herein and Valeant shall be responsible for (i) the preparation, submission and prosecution of the NDA for the Product, and (ii) corresponding and communicating with the FDA; taking its instruction from the DSC. Amarin and Valeant shall at all times use Commercially Reasonable Efforts in discharging their respective duties and responsibilities hereunder. Notwithstanding the foregoing, Amarin has not guaranteed, and does not guarantee, final FDA approval of the Product. For the avoidance of doubt, Amarin shall have no duties or obligations with respect to the Zelapar Study other than those specifically set out in this Agreement. It is understood that (i) the timelines shown in the attached Development Plan have been changed, and an updated Development Plan will be provided to the DSC promptly following execution of this Agreement; and (ii) any changes to the Protocol could further affect the timing, cost, or both, of the Zelapar Study.

3. **UTILIZATION OF CRO**

3.1 Purpose of CRO. Consistent with the obligations set forth in Section 2, but in recognition of the fact that following the closing of the Asset Purchase Agreement, Amarin will not have any meaningful operations, staff or facilities in the United States, promptly following the execution hereof, Amarin shall engage the services of a qualified contract research organization ("CRO") to serve as Amarin's agent for purposes of discharging its duties and responsibilities under this Agreement. Subject to oversight and direction by the DSC as provided in Section 4 hereof, Amarin shall be responsible for selection, management and control of the CRO. Anything herein to the contrary notwithstanding, however, Amarin shall not be liable to Valeant for any

losses or damages suffered by Valeant as a result of any actions or inactions of the CRO, including but not limited to any losses or damages resulting from the CRO's failure to properly or successfully design or implement the Zelapar Study or the CRO's failure to obtain final FDA approval of the Product, unless and to the extent only that such losses or damages are the direct result of Amarin's gross negligence or willful misconduct.

3.2 **Selection of CRO.** Amarin shall be responsible for identifying and selecting the CRO; however, the CRO must be reasonably acceptable to Valeant. The CRO may be removed and replaced by Amarin from time to time with Valeant's prior written consent which shall not be unreasonably withheld or delayed.

3.3 **CRO Agreement.** Amarin shall enter into a project agreement (the "CRO Agreement") with the CRO as promptly as possible after the execution hereof. The CRO Agreement shall, among other things, set forth the CRO's duties and responsibilities relative to designing and implementing the Zelapar Study. The CRO Agreement shall be reasonably acceptable to Valeant in form and substance.

#### 4. **DEVELOPMENT STEERING COMMITTEE**

4.1 **Formation and Purpose of DSC.** Promptly following the execution hereof, Amarin and Valeant shall organize a development steering committee (the "DSC"). The purpose of the DSC shall be to implement the Development Plan and to obtain final FDA approval for the Product. The DSC shall have three (3) members, two of whom shall be appointed by Amarin. The third member shall be appointed by Valeant. One of the members appointed by Amarin shall serve as the chairperson of the DSC.

4.2 **Responsibilities of the DSC.** The DSC shall initially be responsible for monitoring the Development Plan. In that regard, the DSC shall coordinate closely with the CRO.

4.3 **Meetings of the DSC.** The DSC shall hold regular meetings as often as necessary to discharge its responsibilities hereunder. Such meetings may be held in person or by conference call, and minutes of all such meetings shall be recorded and retained. Any member of the DSC may call a meeting at any time upon 3 business days' notice to the other members. Two members shall constitute a quorum for a meeting of the DSC.

4.4 **Formal Action by the DSC.** Each member of the DSC shall have one vote on any matter brought before the DSC for a vote. In any matter voted on by the DSC, a majority vote of the members shall be required to approve such matter; provided, however, that notwithstanding the foregoing, the affirmative vote of the DSC member appointed by Valeant shall be required in order to approve, or take any action relative to: (i) the termination of the Development Plan, (ii) the modification, waiver or enforcement of any material term or provision of the Development Plan, (iii) the appointment, removal, or replacement of the CRO, (iv) the negotiation and settlement

of any dispute with the CRO under the CRO Agreement, (v) the design, implementation or modification of the Zelapar Study, and (vi) the preparation, submission, and prosecution of the request for final FDA approval of the Product.

#### 5. **MONITORING THE IMPLEMENTATION OF THE DEVELOPMENT PLAN**

5.1 **DSC Oversight.** Consistent with Section 4.2 hereof, the DSC shall be responsible for monitoring the implementation of the Development Plan by the CRO. To that end, the DSC shall have full and complete access to (and Amarin shall require the CRO to provide the DSC with full and complete access to) all books, records, and materials maintained by the CRO that are relative to the CRO's involvement in the Development Plan. The DSC shall also be afforded regular and reasonable access, upon reasonable notice, to all CRO personnel working on the Development Plan.

5.2 **Specific Access.** Without in any way diminishing the general scope of Section 5.1, in connection with and in furtherance of the DSC's oversight role as described in Section 5.1, the DSC and each of its members shall have full and complete access to, and Amarin shall require the CRO to provide the DSC with full and complete access to, all documents, materials and reports related to the design, initiation, and conduct of the Zelapar Study, including but not limited to the Zelapar Study timeline and protocol, the case report form, the statistical analysis plan, data tables and listings, adverse event reports, the clinical trial report, data interpretations, and study summaries, presentations, publications and regulatory documents, together with all raw data and source documents related thereto.

#### 6. **COSTS AND EXPENSES**

Amarin shall be responsible for paying and shall pay directly, the first U.S. \$2.5 million of costs and expenses incurred by Amarin under, in furtherance of, or in connection with this Agreement, including but not limited to all costs and expenses due to the CRO and any other third party contractors and consultants approved by the DSC; provided, however, that only actual third party costs and expenses incurred by Amarin and contemplated in the Development Plan budget approved by the DSC, as such budget may be amended from time to time, shall be credited toward Amarin's U.S. \$2.5 million commitment hereunder. Valeant shall be responsible for paying, and shall pay directly, all costs and expenses incurred by Amarin hereunder in excess of Amarin's U.S. \$2.5 million commitment, and shall indemnify and hold harmless Amarin against any such costs and expenses. After Amarin has satisfied its \$2.5 million commitment, Amarin shall not be required to expend any further funds whatsoever, and Valeant shall upon Amarin's reasonable request acknowledge in writing to relevant third parties its obligation to pay, or otherwise provide assurances with respect to the payment by Valeant of, any further costs or expenses contemplated by the Development Plan budget or otherwise arising under, in furtherance of or in connection with this Agreement. In no event shall Amarin be required to expend more than a total of \$2.5 million in costs and expenses in connection with its performance of this Agreement and the CRO Agreement, and any failure or refusal by Amarin to pay costs or expenses in excess of such amount shall not constitute a breach or default by Amarin under this Agreement or the CRO Agreement.

7. **CONFIDENTIALITY**

7.1 **Confidential Information.** Each party shall maintain in confidence all information of the other party (including any Product samples) disclosed by the other party under the Agreement (the “**Confidential Information**”), and shall not use, disclose or grant the use of the Confidential Information of the other party, except to its and its affiliates’ directors, officers, employees, permitted assignees, agents, consultants, clinical investigators and contractors or Representatives (including in the case of Amarin the CRO), to the extent such disclosure is reasonably necessary in connection with such party’s activities as expressly authorized by the Agreement. To the extent that disclosure is authorized by the Agreement, prior to disclosure, each party hereto shall obtain agreement of any such person or entity of its obligation, to hold in confidence and not make use of the Confidential Information for any purpose other than those permitted by the Agreement. Each party shall notify the other promptly of any unauthorized use or disclosure of the other party’s Confidential Information.

7.2 **Permitted Disclosures.** The confidentiality obligations contained in Section 6.1 above shall not apply to the extent that (a) the receiving party (the “**Recipient**”) is required to disclose Confidential Information by law, order or regulation of a governmental agency or a court of competent jurisdiction, provided that the Recipient shall provide to the disclosing party written notice and sufficient opportunity to object to such disclosure or to request confidential treatment thereof; or (b) the Recipient can demonstrate that (i) the Confidential Information was public knowledge at the time of such disclosure by the Recipient, or thereafter became public knowledge, other than as a result of actions of the Recipient, its affiliates and licensees in violation hereof; (ii) the Confidential Information was rightfully known to or independently developed by the Recipient, its affiliates or licensees (as shown by its written records) prior to the date of disclosure to the Recipient by the other party hereunder; or (iii) the Confidential Information was received by the Recipient, its affiliates or licensees on an unrestricted basis from a source unrelated to any party to the Agreement and not under a duty of confidentiality to the other party.

7.3 **Terms of the Agreement.** Except as otherwise provided in this Agreement, Valeant and Amarin shall not disclose any terms or conditions of the Agreement to any third party without the prior consent of the other party, not to be unreasonably withheld.

8. **MISCELLANEOUS.**

8.1 Valeant covenants and agrees to reimburse, indemnify and hold Amarin harmless from and against any and all claims, actions, judgments, damages, losses, liabilities, costs and expenses (including without limitation reasonable attorney’s fees and expenses) (each, a “Loss”) which may be paid, incurred or suffered by Amarin, or to which Amarin may become subject, arising out of or incident to this Agreement or the performance of its duties hereunder, or as a result of defending itself against any claim or liability resulting from its actions under this Agreement, including any claims based on product liability, strict liability or similar grounds; provided,

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however that Amarin shall not be entitled to indemnification for any Loss arising out of its gross negligence or willful misconduct. The covenants and agreements of Valeant in this Section 8.1 shall survive the expiration or termination of this Agreement for any reason. In no event shall Amarin or any of its affiliates be liable for any indirect, special, punitive or consequential damages. Notwithstanding anything to the contrary contained herein, the aggregate liability of Amarin with respect to, arising from or arising in connection with this Agreement or from all services provided or omitted to be provided hereunder, whether in contract, tort or otherwise, is limited to, and shall not exceed, \$2,000,000.

8.2 **Notices.** Any consent, notice or report required or permitted to be given or made under the Agreement by one of the parties hereto to the other party shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, U.S. first class mail or courier), U.S. first class mail or courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as either party may notify the other in accordance with this Section, and (unless otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

If to Amarin:

Amarin Corporation, plc  
7 Curzon Street  
London W1Y 7FL, UK  
Facsimile: +44-207-499-9004  
Attention: General Counsel & Company Secretary

If to Valeant:

Valeant Pharmaceuticals International  
3300 Hyland Avenue,  
Costa Mesa,  
California 92626  
Facsimile: +1 714 641-7265  
Attention: General Counsel

8.3 **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of California, without regard to the conflicts of law principles thereof.

8.4 **Assignment.** Neither party shall assign its rights or obligations under the Agreement without the prior written consent of the other party hereto (such consent not to be unreasonable withheld or delayed); provided, however, that either party may, without such consent, assign the Agreement and its rights and obligations hereunder to an affiliate, or in connection with the transfer or sale of all or substantially all of its assets or business, or in the event of its merger or consolidation or change in control

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or similar transaction and provided further that any permitted assignee assumes in writing all obligations of its assignor under this Agreement.

- 8.5 Waivers and Amendments. No change, modification, extension, termination or waiver of this Agreement shall be valid unless made in writing and signed by duly authorized representatives of the parties.
- 8.6 Entire Agreement. This Agreement (together with the Schedule hereto), the Asset Purchase Agreement and the Assignment Agreement embody the entire understanding between the parties and supersedes any prior understanding and agreements between and among them respecting the subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of the Agreement which are not fully expressed herein.
- 8.7 Counterparts. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 8.8 Further Assurances. The parties shall take any other actions, including without limitation the execution and delivery of documents, as may be reasonably, necessary or appropriate to carry out the intent of this Agreement.

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the parties hereto, and is effective as of, the date first written above.

**AMARIN CORPORATION PLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VALEANT PHARMACEUTICALS  
INTERNATIONAL**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 1**

**DEVELOPMENT PLAN SUMMARY SCHEDULE**

EXECUTION COPY

DATED

2004

**ELAN CORPORATION PLC**  
**ELAN PHARMA INTERNATIONAL LIMITED**  
**ELAN INTERNATIONAL SERVICES, LTD**  
**ELAN PHARMACEUTICALS, INC.**  
**MONKSLAND HOLDINGS BV**  
**AND**  
**AMARIN CORPORATION PLC**

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**SETTLEMENT AGREEMENT**

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**NICHOLSON GRAHAM & JONES**  
110 CANNON STREET LONDON EC4N 6AR  
TEL: 020 7648 9000  
FAX: 020 7648 9001  
REF: OEW/E327-Elan

**THIS DEED** is made on • February 2004

**BETWEEN:**

- (1) **ELAN CORPORATION PLC**, (a public limited company registered in Ireland) whose registered office is at Lincoln House, Lincoln Place, Dublin 2 (“**Elan Corp**”);
- (2) **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland (“**EPIL**”)
- (3) **ELAN INTERNATIONAL SERVICES, LTD.**, a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda (“**EIS**”)
- (4) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California (“**EP Inc**”); and
- (5) **MONKSLAND HOLDINGS BV**, a private company limited by shares incorporated in the Netherlands under registered number 33265127, whose registered office is at Amsteldijk 166, 1079 Amsterdam, Netherlands (“**Monksland**”)
- (6) **AMARIN CORPORATION PLC** (registered in England under number 2353920) whose registered office is at 7 Curzon Street London W1J 5HG (the “**Amarin**”).

**WHEREAS:**

- (A) Pursuant to an agreement dated 11 February 2004 and made between Amarin and Valeant Pharmaceuticals International (“**Valeant**”), Amarin has agreed to sell to Valeant certain of its product rights relating to Zelapar, Permax and its PCP line of products together with the entire issued share capital of Amarin Pharmaceuticals, Inc.(together the “US Business”). Completion of the Valeant Agreement is conditional on the satisfaction of certain conditions as provided for in the Valeant Agreement.
- (B) EIS and Monksland are together the registered holders of 4,653,819 ordinary shares in the capital of Amarin.
- (C) Amarin is indebted to Elan pursuant to the Elan Debt Agreements.

- (D) In connection with the previous restructuring of the Elan Debt Agreements Amarin and Elan entered into the Elan Charge to secure the obligations of Amarin under the Elan Debt Agreements.
- (E) In consideration of the undertakings and obligations mutually exchanged in this Deed, the parties have agreed to enter into the arrangements contemplated by this Deed in order that the indebtedness owing to Elan may be rescheduled, the Elan Charge may be released as respects the assets

to be sold and the option in the Zelapar Agreement exercised and the rights and obligations of Amarin thereunder transferred to Valeant.

THIS DEED WITNESSES as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Deed unless the context requires otherwise:

“**Clinical Trials**” means the clinical trials carried out by Elan relating to its filing of an NDA with the FDA for Zelapar more particularly described as Z/SEL/97/025 and Z/ZEL/97-026.

“**Condition**” means the condition set out in Clause 2;

“**Deed of Release**” means the deed of release relating to the Elan Charge in the Agreed Form;

“**Elan**” means collectively Elan Corp, EPIL, EIS, EP Inc and Monksland.

“**Elan Charge**” means the debenture made on 4 August 2003 (as amended) between Amarin and Elan Corp pursuant to which Amarin granted security to Elan Corp as trustee for the Elan Group;

“**Elan Debt Agreements**” means together;

- (a) the Amended and Restated Master Agreement between Elan Corp, EPIL, EIS, EP Inc, Monksland and Amarin dated 4 August 2003, as amended by Amendment Agreement between the same parties dated 23 December 2003 (the latter, “**Dec 03 Amendment**”) (together “**Master Agreement**”);
- (b) the Amended and Restated Asset Purchase Agreement dated as of 29 September 1999 (which agreement concerned certain products known as the “Carnrick

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products”) by and between EP Inc and Amarin, as varied inter alia by an Amendment Agreement No. 1 dated 4 August 2003 and the Amendment Agreement (together “**Carnrick Agreement**”);

- (c) the Loan Agreement dated 28 September 2001 between Amarin and EPIL, as varied by (i) a Deed of Variation dated 19 August 2002, (ii) a Deed of Variation No. 2 dated 23 December 2002; (iii) a Deed of Variation No. 3 dated 27 January 2003; (iv) a Deed of Variation No. 4 dated 4 August 2003 and (v) the Amendment Agreement (together “**Loan Agreement**”);
- (d) the Amended and Restated Distribution, Marketing and Option Agreement dated 28 September 2001 (which agreement concerned Permax) by and between EP Inc and Amarin, as varied by (i) Deed of Variation dated 27 January 2003, (ii) Deed of Variation No. 2 dated 4 August 2003 and (iii) the Amendment Agreement (together “**Permax Agreement**”); and
- (e) the Bridging Loan Agreement between EP Inc and Amarin dated 23 December 2003 (“**Bridging Loan Agreement**”).

“**Elan Shares**” means the 4,653,819 ordinary shares in the capital of Amarin held by Elan’s subsidiaries;

“**Governmental Body**” means any:

- (a) nation, state, county, city, town, borough, village, district or other jurisdiction;
- (b) federal, state, local, municipal, foreign or other government;
- (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers), including specifically the FDA;
- (d) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
- (e) official of any of the foregoing.

“**Loan Instrument**” means the instrument constituting up to \$5,000,000 8% Secured Loan Notes 2009 entered into by way of deed poll by the Company on [ ] 2004;

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“**Proceeding(s)**” means any claim, action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“**Valeant Agreement**” means the asset purchase agreement dated 11 February 2004 and made between Amarin, Amarin Pharmaceutical Company Limited and Valeant relating to the sale of the US Business referred to in recital (A);

“**Warrant Instrument**” means the instrument granting warrants to subscribe for 500,000 ordinary shares in the capital of Amarin on [ ] 2004;

“**Zelapar Agreement**” means the Amended and Restated Option Agreement (Zelapar), between EPIL and Amarin dated 4 August 2003, as amended by a letter agreement between the same parties dated 23 December 2003.

“**Zelapar Milestone**” means the payment referred to in Clause 6.1 below.

1.2 In this Deed unless the context requires otherwise:

- (a) references to Clauses are references to clauses of this Deed and references within a sub-clause to “this Clause” shall refer to the whole Clause and not merely to the sub-clause in which it appears;
- (b) the Recitals form part of and are incorporated in this Deed;
- (c) headings are included for ease of reference only and shall not affect the interpretation of this Deed;
- (d) the singular shall include the plural and vice versa, and references to any gender shall include references to the other genders;
- (e) the expression “**person**” shall include individuals, corporations (wherever incorporated), unincorporated associations and partnerships;
- (f) any reference to a party shall mean any party to this Agreement; and
- (g) any reference to a document as being “**in the Agreed Form**” means that document in a form agreed between the parties such agreement being signified by

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the signature or initialling of a draft for the purposes of identification by or on behalf of each of the parties;

- (h) the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

## 2. COMPLETION

This Deed shall have no effect unless and until Amarin delivers to Elan certification from a company officer of Amarin, in a form reasonably acceptable to Elan Corp, that:

- (a) the Warrant Instrument has been executed, is effective and the warrant contemplated thereby has been issued to Elan or a person specified by Elan;
- (b) the Loan Instrument has been executed, is effective and all of the Notes contemplated thereby have been issued to Elan or a person specified by Elan for value received, namely the Elan Releases contemplated by this Deed;
- (c) Amarin has issued to its UK or US clearing bank irrevocable and valid instructions to transfer, or has procured that a third party has issued to its UK or US clearing bank irrevocable and valid instructions to transfer without recourse to EP Inc, the sum of US\$ 17,000,000 (seventeen million dollars) by electronic bank transfer in immediately available funds to EP Inc into the following bank account (the “**Elan Bank Account**”) –

**Bank of America**  
335 Madison Ave  
New York, NY. 10017

**Elan Pharmaceuticals, Inc.**  
**ABA: 121000358**  
**Account: 12330-05275**

and there are sufficient funds in the transferor’s account to honour such instruction. The parties described as “Elan” may apportion such monies as between the Elan Debt Agreements as may be agreed between those parties in their absolute discretion, but for the avoidance of doubt payment to EP Inc into the Elan Bank Account shall constitute receipt on behalf of all of them sufficient for the purposes of this paragraph (c).

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## 3. RELEASE

3.1 This deed is in full and final settlement of

- (a) subject to Clauses 3.2, 3.3, 3.4 and 3.5 all sums owing or which may become owing, all and/or any actions, claims, rights, demands, whether or not presently known or suspected, and whether actual or contingent, from the beginning of time up to and including the date of this Deed, that Amarin, on behalf of itself and/or any of its predecessors, successors, parents, subsidiaries, affiliates, related entities, and the assigns, transferees, representatives, principals, agents, officers, directors and shareholders of any of them, acting in such capacity (collectively the “Amarin Releasing Parties”) ever had, may have or hereafter can, shall or may have against Elan, all of Elan’s predecessors, successors, parents, subsidiaries, affiliates, related entities, and the assigns, transferees, representatives, principals, agents,

officers, directors and shareholders of any of them, acting in such capacity (collectively the "Elan Released Parties") arising in connection with or related to the Elan Debt Agreements, the Elan Charge and the Zelapar Agreement (the "Amarin Released Claims")

and of:

(b) subject to Clauses 3.2, 3.3, 3.4 and 3.5 all sums owing or which may become owing, all and/or any actions, claims, rights, demands, whether or not presently known or suspected, and whether actual or contingent, from the beginning of time up to and including the date of this Deed, that Elan, on behalf of itself and/or any of its predecessors, successors, parents, subsidiaries, affiliates, related entities, and the assigns, transferees, representatives, principals, agents, officers, directors and shareholders of any of them, acting in such capacity (collectively the "Elan Releasing Parties") ever had, may have or hereafter can, shall or may have against Amarin, all of Amarin's predecessors, successors, parents, subsidiaries, affiliates, related entities, and the assigns, transferees, representatives, principals, agents, officers, directors and shareholders of any of them, acting in such capacity (collectively the "Amarin Released Parties") arising in connection with or related to the Elan Debt Agreements, the Elan Charge and the Zelapar Agreement (the "Elan Released Claims").

3.2 Nothing in this Deed shall prevent either party making any claims or demands in respect of the Warrant Instrument, the Loan Instrument, the Elan Charge (as amended by the Debenture Amendment Agreement No. 2) or any other agreement of even date herewith to include for the avoidance of doubt any other Restructuring Document or other document described in the "Escrow Letter" of today's date entered into by Amarin and Elan Corp, in respect of claims arising solely in connection with matters on or after the date of this Deed

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or any other agreement or arrangement entered into between the parties and/or their respective subsidiary companies subsequent to the parties entering into this Deed

3.3 Nothing in this Deed shall be deemed a release of or otherwise prejudice or affect:

- (a) EIS' or Monksland's rights as ordinary shareholders of Amarin, except to the extent of the releases provided by the Amarin Releasing Parties to the Elan Released Parties on their behalf, nor their rights under the Registration Rights Agreement dated as of 21 October 1998 and amended by Amendment No. 1 and Waiver dated 27 January 2003 between Amarin, EIS and Monksland;
- (b) any right of any party to enforce the provisions of this Deed;
- (c) without prejudice to the generality of the foregoing, any right the Elan Releasing Parties or the Amarin Released Parties may have against the Elan Releasing Parties, the Amarin Released Parties and/or Valeant under (i) the Permax Assignment and Assumption Agreement between EP Inc., Amarin and Valeant Pharmaceuticals International; (ii) the Zelapar Assignment and Assumption Agreement between EPIL and Amarin; (iii) the Zelapar Assignment and Assumption Agreement between Amarin, EPIL and Valeant Pharmaceuticals International; and in particular the rights to indemnification provided thereunder;
- (d) any provision of any agreement requiring confidential information of a party to be kept confidential and/or not misused by the other party;
- (e) the provisions relating to product liability set out in Clauses 3.4 and 3.5 below;

and accordingly, the Elan Debt Agreements and the Zelapar Agreement are deemed terminated with effect from the date of this Deed if not already terminated, so that only the post-termination restrictions on confidentiality shall apply.

3.4 EP Inc and Amarin retain their respective rights and are subject to such obligations as are set out in Clause 4 of the Assignment and Assumption Agreement relating to Permax with effective date 29<sup>th</sup> March 2002.

3.5 Elan Corp represents and warrants to Amarin that to Elan's knowledge there are no Proceedings or pending Proceedings that have been commenced against Elan or any of its subsidiaries relating to the use of the product Zelapar in the Clinical Trials. Additionally, to

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Elan's knowledge, no such Proceeding has been threatened nor to Elan's knowledge is Elan aware of any circumstances which are likely to give rise to any Claim (as defined below).

3.6 Amarin shall indemnify Elan from and against any claim, damage or loss, including reasonable attorneys' fees (a "Claim"), to the extent that such Claim is related to the use of Zelapar in the Clinical Trials save that the foregoing indemnity shall not apply:

- (a) to the extent a Claim is attributable to an act or omission of Elan constituting negligence, recklessness, wilful misconduct or fraud by Elan; and/or
- (b) where Elan is breach of the warranty and representation set out in Clause 3.5 Claim has been commenced as of the date of this Deed or, to the actual knowledge of Elan, is threatened as of the date of this Deed.

#### 4. COVENANTS NOT TO SUE

The Amarin Releasing Parties agree not to sue, commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against any one or more of the Elan Released parties any action suit or proceedings concerning the Elan Debt Agreement, the Elan Charge and or in connection with the Zelapar Agreement or any other arrangements or agreement in place as at the date of this deed save in respect of those matters referred to in Clauses 3.2, 3.3, 3.4 and 3.5 above. The Elan Releasing Parties agree not to sue, commence, voluntarily aid in any way, prosecute or



cause to be commenced or prosecuted against any one or more of the Amarin Released parties any action suit or proceedings concerning the Elan Debt Agreement, the Elan Charge and or in connection with the Zelapar Agreement or any other arrangements or agreement in place as at the date of this deed save in respect of those matters referred to in Clauses 3.2, 3.3, 3.4 and 3.5 above .

## 5. THE ELAN SHARES

The parties agree that Amarin may if it desires (but shall not be obliged to) procure persons willing to purchase all or some of the Elan Shares from Elan. If any such potential purchasers are identified and brought to the attention of Elan, Elan shall give consideration to the sale of all or some of the Elan shares (as the case may be) to such purchaser(s) but shall not in any event be obliged to sell all or any of the Elan Shares to such potential purchasers.

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## 6. OUTSTANDING PAYMENTS

- 6.1 Amarin shall pay to EPIL the one time sum of US\$ 1,000,000 (one million dollars) upon the receipt from Valeant of the sum of \$3,000,000 (three million dollars) payable by Valeant to Amarin pursuant to the Valeant Agreement in respect of the Successful Completion of the Zelapar safety studies.
- 6.2 Amarin shall further pay to EP Inc the sum of US\$ 195,000 (one hundred and ninety five thousand) upon receipt of the sum due from Watson Pharmaceuticals Inc. in respect of the Swedish Sale (as defined in the Master Agreement) in respect of the completion balance sheet adjustment as payable by Watson to Amarin , if not already paid prior to the date of this Deed. Such payment shall fully discharge Amarin's obligations to Elan in respect of the proceeds of the Swedish Sale.
- 6.3 The payment referred to in Clauses 6.1 and 6.2 are in additional consideration of Elan entering into the transaction constituted by this Deed and associated documents. Each such payment is non-refundable, may not be applied against any other obligations from Amarin to any Elan Released Party whatsoever, is not subject to any future performance obligation by any Elan Released Party and is independent and distinct from any other provision of this Deed.

## 7. WARRANTIES

- 7.1 Amarin represents and warrants to Elan that:
- (a) it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Deed and its obligations under this Deed are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;
  - (b) there are no agreements between Amarin and any third party that conflict with this Deed;
  - (c) it does not require any further consents or approvals to consummate the transaction contemplated by this Deed including:
    - (i) approval of its shareholders; or
    - (ii) approval of NASDAQ.

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- 7.2 Elan represents and warrants to Amarin that:
- (a) it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Deed and its obligations under this Deed are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;
  - (b) there are no agreements between Amarin and any third party that conflict with this Deed;
  - (c) it does not require any further consents or approvals to consummate the transaction contemplated by this Deed including:
    - (i) approval of its shareholders; or
    - (ii) approval of NYSE.

## 8. COSTS.

Except as otherwise provided in this Deed, the parties shall pay their own costs in connection with this Deed.

## 9. CONFIDENTIALITY

Except as provided in or anticipated by this Deed, each party shall at all times during the continuance of this Deed use its respective best endeavours to keep the contents of this Deed confidential and accordingly shall not disclose details of the contents of this Deed to any other person other than on a confidential basis.

## 10 ANNOUNCEMENTS:

10.1 Subject to Clause 10.2, no announcement or public statement concerning the existence, subject matter or any term of this Agreement shall be made by or on behalf of any party hereto without the prior written approval of the other party (Elan Corp in the case of Elan).

The terms of any such announcement shall be agreed in good faith by the parties.

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10.2 Required Disclosures:

A party (the “**Disclosing Party**”) will be entitled to make an announcement or public statement concerning the existence, subject matter or any term of this Amendment Agreement, or to disclose Confidential Information that the Disclosing Party is required to make or disclose pursuant to:

- (a) a valid order of a court or Governmental Body; or
- (b) any other requirement of law, regulation or any securities market or stock exchange;

**PROVIDED THAT** if the Disclosing Party becomes legally required to make such announcement, public statement or disclosure hereunder, the Disclosing Party shall give the other party or parties hereto prompt notice of such fact to enable the other party or parties hereto to seek a protective order or other appropriate remedy concerning any such announcement, public statement or disclosure.

The Disclosing Party shall fully co-operate with the other party or parties hereto in connection with that other party’s or parties’ efforts to obtain any such order or other remedy.

If any such order or other remedy does not fully preclude announcement, public statement or disclosure, the Disclosing Party shall make such announcement, public statement or disclosure only to the extent that the same is legally required.

**11. FURTHER ASSURANCES**

Each party shall do or procure to be done all such further acts and things, and execute or procure the execution of all such other documents, as the other party may from time to time reasonably require for the purpose of giving to the other party the full benefit of all of the provisions of this Deed

**12. WHOLE AGREEMENT**

12.1 In this Clause 12:

the “**Associated Documents**” means the documents to be entered into by the parties in connection with the subject matter of this Deed as expressly provided for in this Deed and any other documents entered into by the parties contemporaneously with or after this Deed which expressly refer to this Deed; and

“**pre-contractual statement**” means any statement, representation, warranty, undertaking or promise (whether in writing or not) made by or on behalf of any party to this Deed prior

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to entering into this Deed except to the extent expressly repeated in this Deed or the Associated Documents.

12.2 This Deed, together with the Associated Documents, represents the whole agreement and understanding between the parties and supersedes all other agreements and understandings between the parties or any of them relating to the subject matter of this Deed.

12.3 This Deed supersedes and extinguishes all pre-contractual statements.

12.4 Without prejudice to Clause 12.3, each party warrants to the others that, in entering into this Deed and the Associated Documents, it has not relied on any pre-contractual statement.

12.5 Nothing in this Clause 12 shall exclude or restrict any liability to which any of the parties may be subject by reason of any fraudulent misrepresentation or any remedy available to any of the parties by reason of such fraudulent misrepresentation.

**13. VARIATION**

No modification, variation or amendment of this Deed shall be effective unless such modification, variation or amendment is in writing and has been signed as a deed by or on behalf of both of the parties.

**14. ASSIGNMENT**

Elan may assign the Zelapar Milestone.

Subject to the foregoing, neither of the parties shall, without the prior written consent of the other, assign, transfer, charge or deal in any other manner with this Deed or any rights under it nor subcontract any of its obligations under this Deed in whole or in part.

**15. GOVERNING LAW AND JURISDICTION**

This Deed shall be governed by and construed in accordance with English law PROVIDED THAT to the extent that any of the releases given by the parties in Clause 3 would, if governed by the laws of the state of Delaware, release claims arising in connection with or related to the Carrick Agreement and/or the Permax Agreement and/or the Zelapar Agreement which would not be so released under English law, the interpretation of this Deed under Delaware law shall apply in respect of such claims.

Each of the parties submits to the non-exclusive jurisdiction of the Courts of England.

**16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

**17 INVALIDITY**

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability in that jurisdiction of any other provision of the Deed nor the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Deed.

**18 COUNTERPARTS**

This Deed may be signed in any number of counterparts, each of which, when executed and delivered, shall be an original and all of which together evidence the same agreement/deed.

**IN WITNESS** whereof this deed has been duly executed and is intended to be and is delivered on the date first above written.

**SIGNED** and delivered as a Deed )  
by )  
as attorney for )  
**ELAN CORPORATION, PLC.** )  
in the presence of: )

\_\_\_\_\_  
Signature of witness

**SIGNED** and delivered as a Deed )  
by )  
as attorney for )  
**ELAN PHARMA INTERNATIONAL** )  
**LIMITED** )  
in the presence of: )

\_\_\_\_\_  
Signature of witness

The Common Seal of )  
**ELAN INTERNATIONAL** )  
**SERVICES, LTD.** )  
was hereunto affixed in the presence of: )

Director

Director / Secretary

**EXECUTED** and delivered as a Deed by:  
**ELAN PHARMACEUTICALS, INC.**

\_\_\_\_\_  
Name:  
Title:

**SIGNED** and delivered as a Deed )  
by )  
as attorney for )  
**MONKSLAND HOLDINGS BV** )  
in the presence of: )

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Signature of witness

**EXECUTED AND DELIVERED**  
**AS A DEED** by **AMARIN CORPORATION PLC**  
acting by:

Signature of Director \_\_\_\_\_

Print name of Director \_\_\_\_\_

Signature of Director/Secretary \_\_\_\_\_

Print name of Director/Secretary \_\_\_\_\_

**C L I F F O R D  
C H A N C E**

LIMITED LIABILITY PARTNERSHIP

EXECUTION COPY

DATED 4 AUGUST 2003

AMARIN CORPORATION PLC

IN FAVOUR OF

ELAN CORPORATION, PLC.  
AS TRUSTEE

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**DEBENTURE**

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**THIS DEBENTURE** is made on 4<sup>th</sup> August 2003

**BY**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("**the Company**"); and
- (2) **ELAN CORPORATION, PLC.**, a public limited company incorporated in Ireland (registered no. 30356), whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland ("**Elan**") as trustee for the Secured Parties.

**WHEREAS**

- (A) Elan and the Company are inter alia parties to a Master Agreement dated 27 January 2003 and the Company wished to further restructure its relationship with Elan and the companies set out in schedule 1 (the "**Elan Group**") pursuant to an Amended and Restated Master Agreement (as defined below); and
- (B) In consideration for the Elan Group granting an extension of time to make payment of and discounting certain of the Company's obligations and contingent obligations in accordance with the terms of the Amended and Restated Master Agreement and the documents referred to therein, the Company has agreed to grant security to the Elan as trustee for the Elan Group on the terms set out in this Debenture.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

"**Account**" means any credit balance from time to time on any account opened or maintained by the Company with any financial institution and all Related Rights.

"**Amended and Restated Master Agreement**" means the agreement between the Company and the Secured Parties dated the date hereof amending a Master Agreement dated 27 January 2003.

"**Charged Property**" means all the assets of the Company which from time to time are the subject of the security created or expressed to be created in favour of Elan by or pursuant to this Debenture.

"**Collateral Rights**" means all rights, powers and remedies of Elan provided by or pursuant to this Debenture or by law.

"**Encumbrance**" means (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money or claims to or the benefit of, a bank or other account may be applied set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having similar effect.

"**Enforcement Event**" means any of the following events:

- (a) a failure by the Company to pay any of the Outstanding Amounts, as defined in the Amended and Restated Master Agreement, on the due date for payment;
- (b) breach by the Company of any provision of this Debenture or of any other contract or agreement giving rise to the Secured Obligations which is not cured within 30 days of written notice to do so being given by Elan or the Secured Party in question;
- (c) failure by the Company to create the Proceeds Account with a UK or US clearing bank, and provide details thereof to Elan, within 30 days of the date of this Debenture;
- (d) the presentation of a petition or application for the making of an administration order in relation to the Company;

- (e) any person who is entitled to do so giving written notice of its intention to appoint an administrator of the Company or filing such a notice with the court;
- (f) any request by the Company for the appointment of a receiver or an administrative receiver under any Security over any of its assets;
- (g) the Company takes any corporate action or other steps are taken or legal proceedings are started for its winding up (which are not dismissed or struck out within seven days of presentation), or for its dissolution, administration or re-organisation (other than in connection with a bona fide solvent restructuring) or for the appointment of a liquidator, trustee or similar officer of it or of all or a substantial part of its revenues and assets;
- (h) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any substantial part of, the property, undertakings or assets of the Company or any event occurs which under the laws of any jurisdiction has a similar or analogous effect other than any Security created by or pursuant to this Debenture; or
- (i) the occurrence of any event or the receipt by Elan of any information or the coming to the attention of Elan of any other matter or thing whatsoever which causes Elan to believe that all or any part of the Charged Property is in danger of seizure, distress or other legal process or that all or any part of the security created by or pursuant to this Debenture is otherwise for any reason whatsoever in jeopardy.

“**Further Equity Financing**” means any and all equity financing by any member of the Group after the date of this Debenture including by the issue of share of any class, warrants debt convertible into equity or the right to receive or subscribe for shares of any class in any member of the Group.

“**Group**” means the Company and its subsidiaries for the time being.

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“**Insurance Policy**” means any policy of insurance in which the Company may from time to time have an interest. For the avoidance of doubt, this expression does not include directors’ and officers’ insurance to the extent that it indemnifies such persons as opposed to the Company.

“**Intellectual Property**” means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights.

“**Investments**” means

- (a) any stocks, shares, debentures, securities and certificates of deposit (but not including the Shares),
- (b) all interests in collective investment schemes, and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b)

in each case whether held directly by or to the order of the Company or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system).

“**Lilly Agreement**” means the Consent to Assignment, Continuance of Limited License, Unconditional Continuing Limited Guaranty, and Confirmation of Continuing Obligations Agreement by and between Eli Lilly and Company and Elan Pharmaceuticals, Inc dated 29 March 2002.

“**Monetary Claims**” means any book and other debts and monetary claims owing to the Company and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any royalties due to the Company under and contract, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which the Company is a party and any other assets, property, rights or undertaking of the Company).

“**Notice of Assignment**” means a notice of assignment in substantially the form set out in Schedule 2 or in such form as may be specified by Elan.

“**Permitted Encumbrance**” means:

- (a) any netting or set-off arrangement entered into by any member of the Group in the normal course of its banking arrangements for the purpose of netting debit and credit balances;
- (b) any title transfer or retention of title arrangements entered into by any member of the Group in the normal course of its trading activities on the counterparty’s standard or usual terms;

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- (c) any lien arising by operation of law and in the normal course of business, if such lien is discharged within 10 days of arising
- (d) any Encumbrance created after the date of this Debenture with the prior written consent of Elan; and
- (e) the Encumbrances of the Group as at the date of this Debenture listed in Schedule 3; which Schedule shall be added to this Debenture within 14 days of the date of this Debenture and shall be subject to the prior written approval of Elan, not to be unreasonably withheld.

“**Primary Care Portfolio**” means all assets of whatever nature held by any member of the Group relating to the following products/product lines: Motofen, Capital & Codeine, Nohalist and the Bontril and Phrenilin families of products.

“**Proceeds**” means the Net Proceeds of the Legacy Sale, the Swedish Sale (as each of those expressions is defined in the Amended and Restated Master Agreement) or the Further Equity Financing.

“**Proceeds Account**” means any credit balance from time to time the account to be opened by the Company within 30 (thirty) days after the date of this Debenture for the purpose of receiving Proceeds, and all Related Rights.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Related Rights**” means, in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

“**Secured Obligations**” means all obligations covenanted to be discharged by the Company in Clause 2.1 (*Covenant to Pay*).

“**Secured Parties**” means the parties set out in Schedule 1 and any lawful assignees of the Secured Obligations and successors in title to the Secured Obligations from those parties set out in Schedule 1.

“**Shares**” means all of the shares in the capital of Amarin Development AB (Sweden), Amarin Pharmaceuticals, Inc. (United States), Gacell Holdings AB Sweden, and Amarin Pharmaceuticals Company Limited (England) held by, to the order or on behalf of the Company at any time.

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“**Swedish Drug Delivery Business**” means the assets of Amarin Development AB, Malmö, Sweden as of the date of this Debenture.

“**Tangible Moveable Property**” means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of the Company’s stock in trade or work in progress) and all Related Rights.

## 1.1 Interpretation

In this Debenture:

- 1.1.1 any reference to Elan or the “**Company**” shall be construed so as to include its and any subsequent successors and any permitted transferees in accordance with their respective interests;
- 1.1.2 references in this Debenture to any Clause or Schedule shall be to a clause or schedule contained in this Debenture; and
- 1.1.3 the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

## 1.2 Third Party Rights

A person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture.

## 2. PAYMENT OF SECURED OBLIGATIONS

### 2.1 Covenant to Pay

The Company hereby covenants with Elan as trustee for the Secured Parties that it shall on demand of Elan when the same shall become due and payable discharge all obligations which any member of the Group may at any time have to Elan (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties and the Company shall pay to Elan when due and payable every sum at any time owing, due or incurred by the Group to Elan (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of all liabilities owed by any member of the Group to the Secured Parties, howsoever arising, whether before or after the date of this Debenture, including without limitation:

- 2.1.1 liabilities set out or referred to in the Amended and Restated Master Agreement and/or any document referred to therein; and
- 2.1.2 liabilities pursuant to any right of recourse for primary liabilities of the Group discharged by any of the Secured Parties (including without limitation any liabilities discharged by Elan Pharmaceuticals, Inc. under Clause 3(A) the Lilly Agreement

**provided that** neither this covenant nor the security constituted by this Debenture shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

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## 3. FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

### 3.1 Fixed Charges



The Company hereby charges with full title guarantee in favour of Elan as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Company at the date of this Debenture shall be a charge by way of legal mortgage) all the Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that mortgage or fixed charge from any third party):

- 3.1.1 the Tangible Moveable Property;
- 3.1.2 the Primary Care Portfolio;
- 3.1.3 the Accounts;
- 3.1.4 the Intellectual Property;
- 3.1.5 any goodwill and rights in relation to the uncalled capital of the Company;
- 3.1.6 the Investments;
- 3.1.7 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise);
- 3.1.8 all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture and all Related Rights.

### 3.2 **Assignments**

3.2.1 The Company hereby assigns with full title guarantee to Elan as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations all the Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party):

- (a) All claims and rights in relation to the Proceeds Account;
- (b) the proceeds of any of Insurance Policy and all Related Rights;

### 3.3 **Floating Charge**

3.3.1 The Company hereby charges with full title guarantee in favour of Elan as trustee for the Secured Parties with the payment and discharge of the Secured Obligations by way of first floating charge the whole of the Company's undertaking and assets, present and future, other than any assets validly and effectively charged or assigned (whether at law or in equity) by way of fixed security under the laws of England and Wales, or of the jurisdiction in which that asset is situated, in favour of Elan as security for the Secured Obligations.

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3.3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3.3 (*Floating Charge*).

### 3.4 **Exceptions to the Security**

The security created pursuant to this Clause 3 shall not extend to any asset situated outside England and Wales to the extent that, and for so long as, any such security would be unlawful under the laws of the jurisdiction in which such asset is situated.

## 4. **CRYSTALLISATION OF FLOATING CHARGE**

### 4.1 **Crystallisation: By Notice**

Elan may at any time by notice in writing to the Company convert the floating charge created by Clause 3.3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- 4.1.1 an Enforcement Event has occurred and is continuing; or
- 4.1.2 Elan reasonably considers that any of the Charged Property is in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 4.1.3 Elan reasonably considers that it is desirable in order to protect the priority of the security.

### 4.2 **Crystallisation: Automatic**

Notwithstanding Clause 4.1 (*Crystallisation: By Notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- 4.2.1 the Company or any member of the Group creates or attempts to create any Encumbrance (other than a Permitted Encumbrance) over any of the Charged Property; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 4.2.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company or an administrator is appointed to the Company.

## 5. **PERFECTION OF SECURITY**

5.1 **Notices of Assignment**

The Company shall, deliver to Elan (or procure delivery of) Notices of Assignment duly executed by, or on behalf of, the Company in respect of any asset which is the subject of an assignment pursuant to Clause 3.2 (*Assignments*), within (a) 1 business day of the creation of the Proceeds Account in the case of the Proceeds Account or (b) 30 days of the request of Elan from time to time in the case of each other such asset,

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and shall in each case use all reasonable endeavours to procure that each notice is acknowledged by the obligor or debtor specified by Elan.

5.2 **Notices of Charge**

The Company shall if requested by Elan from time to time after the occurrence of an Enforcement Event promptly deliver to Elan (or procure delivery of) notices of charge (in form and substance reasonably satisfactory to Elan) duly executed by, or on behalf of, the Company and acknowledged by each of the banks or financial institutions with which any of the Accounts are opened or maintained.

5.3 **Registration of Intellectual Property**

The Company shall, if requested by Elan, within 30 days execute all such documents and do all acts that Elan may reasonably require to record the interest of Elan in any registers relating to any registered Intellectual Property.

6. **FURTHER ASSURANCE**

6.1 **Further Assurance: General**

The Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as Elan may reasonably specify (and in such form as Elan may reasonably require in favour of Elan or its nominee(s)):

- 6.1.1 to perfect the security created or intended to be created in respect of the Charged Property (which may include the execution by the Company of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Property) or for the exercise of the Collateral Rights;
- 6.1.2 to confer on Elan security over any property and assets of the Company located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Debenture; and/or
- 6.1.3 to facilitate the realisation of the Charged Property.

6.2 **Necessary Action**

The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on Elan by or pursuant to this Debenture.

6.3 **Consents**

The Company shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to Elan) within 30 days any consents necessary to enable the assets of the Company to be the subject of an effective fixed charge or assignment pursuant to Clause 3 (*Fixed Charges, Assignments and Floating Charge*) and, immediately upon obtaining any such consent, the asset concerned shall become subject

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to such security and the Company shall promptly deliver a copy of each consent to Elan.

6.4 **Implied Covenants for Title**

The obligations of the Company under this Debenture shall be in addition to the covenants for title deemed to be included in this Debenture by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

7. **NEGATIVE PLEDGE AND DISPOSALS**

7.1 **Negative Pledge**

The Company undertakes that it shall not, at any time during the subsistence of this Debenture, create or permit to subsist any Encumbrance over all or any part of the Charged Property or any asset of the Group other than Permitted Encumbrances.

7.2 **No Disposal of Interests**

The Company undertakes that it shall not (and shall not agree to) and no member of its Group shall at any time during the subsistence of this Debenture (except as permitted pursuant to this Clause 7):

- 7.2.1 execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property;
- 7.2.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property;
- 7.2.3 execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Primary Care Business or the Swedish Drug Delivery Business;
- 7.2.4 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Primary Care Business or the Swedish Drug Delivery Business;
- 7.2.5 assign or otherwise dispose of any interest in any Account.

7.3 **Permitted Disposals**

The restriction on disposal contained in clause 7.2 does not apply to disposal of the Swedish Drug Delivery Business or the Primary Care Portfolio provided that the lesser of:

- (a) 90% of the Proceeds; or
- (b) such amount of the Proceeds as is required to make the total of all payments into the Proceeds Account up to \$30,000,000

are paid into the Proceeds Account.

8. **SHARES AND INVESTMENTS**

8.1 **Shares: Before Enforcement Event**

Prior to the occurrence of an Enforcement Event the Company shall:

- 8.1.1 pay all dividends, interest and other monies arising from the Shares into an Account; and
- 8.1.2 exercise all voting rights in relation to the Shares **provided that** the Company shall not exercise such voting rights in any manner, or otherwise permit or agree to any (a) variation of the rights attaching to or conferred by any of the Shares or (b) increase in the issued share capital of any company whose Shares are charged pursuant to this Debenture, which in the opinion of Elan would prejudice the value of, or the ability of Elan to realise, the security created by this Debenture.

8.2 **Shares: After Enforcement Event**

Elan may, upon the occurrence of an Enforcement Event, at its discretion (in the name of the Company or otherwise and without any further consent or authority from the Company):

- 8.2.1 exercise (or refrain from exercising) any voting rights in respect of the Shares;
- 8.2.2 apply all dividends, interest and other monies arising from the Shares in accordance with Clause 17 (*Application of Moneys*);
- 8.2.3 transfer the Shares into the name of such nominee(s) of Elan as it shall require; and
- 8.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to any company whose shares or other securities are included in the Charged Property, to concur or participate in:
  - (a) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event),
  - (b) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
  - (c) the exercise, renunciation or assignment of any right to subscribe for any shares or securities in each case in such manner and on such terms as Elan may think fit, and the proceeds of any such action shall form part of the Charged Property.

8.3 **Investments and Shares: Payment of Calls**

The Company shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares, and in any case of default by the

Company in such payment, Elan may, if it thinks fit, make such payment on behalf of the Company in which case any sums paid by Elan shall be reimbursed by the Company to Elan on demand and shall carry interest from the date of payment by Elan until reimbursed at the rate of the prime rate from time to time of Citibank N.A. plus 5%.

8.4 **Investments: Delivery of Documents of Title**

After the occurrence of an Enforcement Event the Company shall promptly on the request of Elan, deliver (or procure delivery) to Elan, and Elan shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments or the Shares to which the Company (or its nominee(s)) is or becomes entitled together with any other document which Elan may reasonably request (in such form and executed as Elan may reasonably require) with a view to perfecting or improving its security over the Investments or the Shares or to registering any Investment or Share in its name or the name of any nominee(s).

8.5 **Investments: Exercise of Rights**

The Company shall not exercise any of its rights and powers in relation to any of the Investments or the Shares in any manner which, in the opinion of Elan, would prejudice the value of, or the ability of Elan to realise, the security created by this Debenture.

9. **ACCOUNTS**

9.1 **Accounts: Notification and Variation**

The Company during the subsistence of this Debenture:

9.1.1 shall within 30 days of the date of this Debenture deliver to Elan (and, if any change occurs thereafter, as soon as reasonably practicable after the date of such change), details of each Account maintained by it and any account maintained by each member of its Group; and

9.1.2 shall not, without Elan's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

## 9.2 **Accounts: Operation Before Enforcement Event**

The Company shall prior to the occurrence of an Enforcement Event be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account other than the Proceeds Account.

## 9.3 **Accounts: Operation After Enforcement Event**

After the occurrence of an Enforcement Event the Company shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account or any account maintained by any member of the Company's Group except with the prior consent of Elan.

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## 9.4 **Undertakings re: Proceeds Account**

9.4.1 Subject to clause 9.4.2, the Company hereby undertakes to pay 90% of the Proceeds of any Further Equity Financing into the Proceeds Account, or as directed by Elan, and the balance of the Proceeds into an Account.

9.4.2 Pursuant to clause 7.3 the Company has undertaken to procure payment of the Proceeds of the disposal of the Swedish Drug Delivery Business or the Primary Care Portfolio into the Proceeds Account.

9.4.3 The Company shall not be obliged to pay more than \$30,000,000 in total into the Proceeds Account.

## 9.5 **Operation of Proceeds Account**

The Company shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time the Proceeds Account at any time without the prior written authority of Elan. Elan hereby authorises the Company to transfer funds from the Proceeds Account to fulfil the obligations set out in clauses 7.1 to 7.5 and/or Clause 8 in the Amended and Restated Master Agreement. Elan shall be entitled upon the occurrence of an Enforcement Event without notice to exercise all rights, powers and remedies held by it as assigned of the Proceeds Account and to

9.5.1 demand and receive all monies due under or arising under the Proceeds Account; and

9.5.2 exercise all rights as the Company was then entitled to exercise in relation to such Proceeds Account but for the terms of this Debenture.

## 10. **MONETARY CLAIMS**

### 10.1 **Dealing with Monetary Claims**

The Company shall not at any time during the subsistence of this Debenture, without the prior written consent of Elan:

10.1.1 deal with the Monetary Claims except by getting in and realising them in a prudent manner and paying the proceeds of those Monetary Claims into the Account or as Elan may require (and such proceeds shall be held upon trust by the Company for Elan on behalf of the Secured Parties prior to such payment in);

10.1.2 factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting.

### 10.2 **Release of Monetary Claims: Before Enforcement Event**

Prior to the occurrence of an Enforcement Event, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture), upon such proceeds being credited to the Account, be released from the fixed charge created pursuant to Clause 3.1 (*Fixed Charges*) and the Company shall be entitled to withdraw such proceeds from such Account provided that

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such proceeds shall continue to be subject to the floating charge created pursuant to Clause 3.3 (*Floating Charge*) and the terms of this Debenture.

### 10.3 **Option: Release of Monetary Claims: After Enforcement Event**

After the occurrence of an Enforcement Event the Company shall not, except with the prior written consent of Elan, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

## 11. **INSURANCES**

### 11.1 **Insurance: Undertakings**

The Company shall at all times during the subsistence of this Debenture:

11.1.1 keep the Charged Property insured in a manner and amount consistent with its practice as at the date of this Debenture;

11.1.2 if required by Elan, cause each insurance policy or policies relating to the Charged Property other than any Insurance Policy which has been the subject of a Notice of Assignment pursuant to Clause 5 (*Perfection of Security*) to contain (in form and substance reasonably satisfactory to the Bank) an endorsement naming Elan as sole loss payee in respect of all claims in excess of £50,000 until such time as Elan notifies the insurer(s) to the contrary;

11.1.3 promptly pay all premiums and other moneys payable under all its policies of insurance and promptly upon request, produce to Elan a copy of each policy and evidence (reasonably acceptable to Elan) of the payment of such sums; and

11.1.4 if required by Elan (but subject to the provisions of any lease of the Charged Property), deposit all policies of insurance relating to the Charged Property with Elan.

**11.2 Insurance: Default**

If the Company defaults in complying with Clause 11.1 (*Insurance: Undertakings*), Elan may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all moneys expended by Elan in doing so shall be reimbursed by the Company to Elan on demand and shall carry interest from the date of payment by Elan until reimbursed at the rate of the prime rate from time to time of Citibank N.A. plus 5%.

**11.3 Application of Insurance Proceeds**

All moneys received under any insurance relating to the Charged Property shall (subject to the rights and claims of any person having prior rights such moneys), prior to the occurrence of an Enforcement Event, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed; after the occurrence of an Enforcement Event, the Company shall hold such moneys upon trust for Elan on behalf of the Secured Parties pending payment to Elan for application in

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accordance with Clause 17 (*Application of Monies*) and the Company waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Property.

**12. GENERAL UNDERTAKINGS**

**12.1 Intellectual Property**

The Company shall during the subsistence of this Debenture in respect of any Intellectual Property which is material to or required in connection with its business:

12.1.1 take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property; and

12.1.2 not use or permit any such Intellectual Property to be used in any way which may materially and adversely affect its value.

**12.2 Information and Access**

The Company shall from time to time, on request of Elan, furnish Elan with such information as Elan may reasonably require about the Company's business and affairs, the Charged Property and its compliance with the terms of this Debenture and the Company shall permit Elan, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to (a) inspect and take copies and extracts from the books, accounts and records of the Company and (b) to view the Charged Property (without becoming liable as mortgagee in possession).

**13. ENFORCEMENT OF SECURITY**

**13.1 Enforcement**

At any time after the occurrence of an Enforcement Event (as long as it is continuing) the security created by or pursuant to this Debenture is immediately enforceable and Elan may, without notice to the Company or prior authorisation from any court, in its absolute discretion:

13.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and

13.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture) on mortgagees and by this Debenture on any Receiver or otherwise conferred by law on mortgagees or Receivers.

**13.2 No Liability as Mortgagee in Possession**

Neither Elan nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee in possession might otherwise be liable.

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**14. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925**

**14.1 Extension of Powers**

The power of sale or other disposal conferred on Elan and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture.

**14.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or to the exercise by Elan of its right to consolidate all or any of the security created by or pursuant to this Debenture with any other security in existence at any time or to its power of sale, which powers may be exercised by Elan without notice to the Company on or at any time after the occurrence of an Enforcement Event (which is continuing).

**15. APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

### 15.1 **Appointment and Removal**

After the occurrence of an Enforcement Event or if a petition or application is presented for the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or if requested to do so by the Company, Elan may by deed or otherwise (acting through an authorised officer of Elan), without prior notice to the Company:

- 15.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- 15.1.2 remove (so far as it is lawfully able) any Receiver so appointed;
- 15.1.3 appoint another person(s) as an additional or replacement Receiver(s); and
- 15.1.4 appoint one or more persons to be an administrator of the Company.

### 15.2 **Capacity of Receivers**

Each person appointed to be a Receiver pursuant to Clause 15.1 (*Appointment and Removal*) shall be:

- 15.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;
- 15.2.2 for all purposes shall be deemed to be the agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for Elan; and

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- 15.2.3 entitled to remuneration for his services at a rate to be fixed by Elan from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

### 15.3 **Statutory Powers of Appointment**

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of Elan under the Law of Property Act 1925 (as extended by this Debenture) or otherwise and such powers shall remain exercisable from time to time by Elan in respect of any part of the Charged Property.

## 16. **POWERS OF RECEIVER**

### 16.1 **General Powers**

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Company) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Company which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of the Company or in his own name and, in each case, at the cost of the Company):

- 16.1.1 all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- 16.1.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 16.1.3 all the powers and rights of an absolute owner and power to do or omit to do anything which the Company itself could do or omit to do; and
- 16.1.4 the power to do all things (including bringing or defending proceedings in the name or on behalf of the Company) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including the realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Company forming part of, or which when got in would be, Charged Property.

### 16.2 **Take Possession**

Power to take immediate possession of, collect and get in the Charged Property (including rents and other income accrued from time to time).

### 16.3 **Calls**

To make, or to require the directors of the Company to make, calls upon the holders of share capital of the Company which remains uncalled and to enforce payment of such calls and any previous unpaid calls by taking proceedings.

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### 16.4 **Proceedings and Claims**

Power to bring, enforce, abandon, arbitrate, negotiate and settle any claims, proceedings or other actions in connection with the business of the Company or all or any part of the Charged Property or the security constituted by or pursuant to this Debenture.

### 16.5 **Carry on Business**

Power to carry on and manage, or concur in the carrying on and management of or to appoint a manager of, the whole or any part of the Company's business in such manner as he in his absolute discretion thinks fit.

### 16.6 **Contracts**

Power to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract to which the Company is a party.

**16.7 Subsidiary**

Power to supervise, control and finance any existing or new subsidiary of the Company or any other body corporate and its business and the conduct of such persons and to change the situation of the registered office of any such subsidiary or other body corporate.

**16.8 Deal with Charged Property**

Power, in relation to all or any part of the Charged Property, to vary, sell, transfer, convey, grant, terminate or accept surrenders of leases, licences or rights of user (in each case with or without consideration) or concur in any of those by the Company or any other receiver or manager of the Company (including to or in relation to Elan) in such manner and on such terms as he thinks fit (including the severing and separate disposal from the premises to which they were affixed of fixtures, plant and machinery).

**16.9 Acquisitions**

Power to purchase, lease, hire or acquire any assets or rights which he shall in his absolute discretion consider necessary or desirable for the carrying on, improvement or realisation of, or for the benefit of, the whole or any part of the Charged Property or the business of the Company.

**16.10 New Subsidiary**

Power to form a subsidiary of the Company or acquire the share capital of a body corporate to become a subsidiary of the Company and to procure the purchase, lease or acquisition of an interest in the whole or any part of the Charged Property by such subsidiary or to carry on any business in succession to the Company or any other subsidiary of the Company.

**16.11 Insurance**

Power to effect, maintain or renew indemnity and other insurances and to obtain bonds and performance guarantees.

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**16.12 Employment**

Power to employ, engage, dismiss or vary the terms of employment or engagement of employees, workmen, servants, officers, managers, agents and advisers on such terms as to remuneration and otherwise as he shall think fit including power to engage his own firm in the conduct of the receivership.

**16.13 Borrowing**

Power to raise or borrow money from any person, including any Secured Party (with or without any security on the Charged Property to rank either in priority to or after all or any part of the security constituted pursuant to this Debenture) on such terms as he shall in his absolute discretion think fit (and no person lending such money shall be concerned to see or enquire as to the propriety or purpose of the exercise of such power or the application of money so raised or borrowed).

**16.14 Redemption of Security**

Power to redeem, discharge or compromise any security whether or not having priority to all or any part of the security constituted pursuant to this Debenture.

**16.15 Covenants, Guarantees and Indemnities**

Power to enter into such bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he shall think fit and make all payments needed to effect, maintain or satisfy such obligations or liabilities.

**17. APPLICATION OF MONEYS**

All moneys received or recovered by Elan or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by Elan (notwithstanding any purported appropriation by the Company) in such order and manner as Elan shall think fit:

17.1.1 in or towards the discharge of all or any of the Secured Obligations which are then due and payable; or

17.1.2 if any of the Secured Obligations are then contingent, in payment to the credit of any accounts selected by Elan to be held until such time as Elan shall think fit pending their application in or towards the discharge of all or any of the Secured Obligations which are at that time due and payable; or

17.1.3 in payment to the credit of any suspense or impersonal account for so long as Elan shall think fit pending any further application of such moneys (as Elan shall be entitled, but not obliged, to do in its discretion) in accordance with the previous provisions of this Clause; and

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17.1.4 if the Company is under no further actual or contingent liability to the Secured Parties, in payment of the surplus to the Company or any other person entitled to it.

**18. PROTECTION OF PURCHASERS**

**18.1 Consideration**

The receipt of Elan or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, Elan or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

## 18.2 **Protection of Purchasers**

No purchaser or other person dealing with Elan or any Receiver shall be bound to inquire whether the right of Elan or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of Elan or such Receiver in such dealings.

## 19. **POWER OF ATTORNEY**

### 19.1 **Appointment and Powers**

The Company by way of security irrevocably appoints Elan and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

19.1.1 carrying out any obligation imposed on the Company by this Debenture (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and

19.1.2 enabling Elan and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or by law (including, after the occurrence of an Enforcement Event, the exercise of any right of a legal or beneficial owner of the Charged Property).

### 19.2 **Ratification**

The Company shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

## 20. **EFFECTIVENESS OF SECURITY**

### 20.1 **Continuing Security**

Subject to Clause 21, the security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by Elan.

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### 20.2 **Cumulative Rights**

The security created by or pursuant to this Debenture and the Collateral Rights shall be cumulative, in addition to and independent of every other security which Elan or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by Elan or any Secured Party over the whole or any part of the Charged Property shall merge into the security constituted by this Debenture.

### 20.3 **No Prejudice**

The security created by or pursuant to this Debenture and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Company or any other person or by any other thing which might otherwise prejudice that security or any Collateral Right.

### 20.4 **Remedies and Waivers**

No failure on the part of Elan to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

### 20.5 **No Liability**

None of Elan, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

### 20.6 **Partial Invalidity**

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

## 21. **RELEASE OF SECURITY**

### 21.1 **Redemption of Security**

21.1.1 Subject to Clauses 21.1.2 and 21.1.3, upon the Secured Obligations being discharged in full and none of the Secured Parties having any further actual or contingent obligation to the Company Elan shall, at the request and cost of the Company, release and cancel the security constituted by this Debenture and procure the reassignment to the Company of the property and assets assigned to Elan pursuant to this Debenture, in each case subject to Clause 21.2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, Elan or any of its nominees.

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21.1.2 Upon:

- (a) the Outstanding Amounts (as such term is defined in the Amended and Restated Master Agreement) being fully discharged, whether by payment in full or by operation of Clauses 7 and/or 8 of the Amended and Restated Master Agreement; and



- (b) the Company representing and warranting to Elan by deed that to the best of its knowledge and belief, having made diligent enquiry, there is no matter outstanding in respect of which Elan may have liability under Clause 3(A) of the Lilly Agreement (and Elan shall not be obliged to accept any such representation and warranty dated as of a date prior to 30 October 2003\_;

the total amount of security that is constituted by this Debenture will be reduced to \$5,000,000 (five million United States dollars) and Elan will, at the written request of the Company, amend the registration of this Debenture at Companies House by filing a Form 403 recording the partial discharge.

21.1.3 On 30 April 2005, provided that:

- (a) the Outstanding Amounts (as such term is defined in the Amended and Restated Master Agreement) have been fully discharged, whether by payment in full or by operation of Clauses 7 and/or 8 of the Amended and Restated Master Agreement; and
- (b) no claim has been made under Clause 3(A) of the Lilly Agreement

Elan shall, at the request and cost of the Company, release and cancel the security constituted by this Debenture and procure the reassignment to the Company of the property and assets assigned to Elan pursuant to this Debenture, in each case subject to Clause 21.2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, Elan or any of its nominees.

## 21.2 **Avoidance of Payments**

If Elan considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under this Debenture and the security constituted hereby shall continue and such amount shall not be considered to have been irrevocably paid.

## 22. **SET-OFF**

The Company authorises Elan (but Elan shall not be obliged to exercise such right), after the occurrence of an Enforcement Event which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by Elan or any other Secured Party to the Company.

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## 23. **ASSIGNMENT**

Elan may assign and transfer all or any of its rights and obligations under this Debenture to any Secured Party and any lawful assignee or successor in title of any Secured Party. The Company may not assign or transfer any of its rights or obligations under this Debenture without the prior written consent of Elan.

## 24. **NOTICES**

Each communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, shall be made by fax or letter and in accordance with the terms of clause 14.14 of the Amended and Restated Master Agreement as if that clause were repeated herein.

## 25. **EXPENSES, STAMP TAXES AND INDEMNITY**

### 25.1 **Expenses**

The Company shall, from time to time on demand of Elan, reimburse Elan for all the costs and expenses (including legal fees) on a full indemnity basis together with any VAT thereon incurred by it in connection with

- 25.1.1 the exercise, preservation and/or enforcement of any of the Collateral Rights or the security contemplated by this Debenture or any proceedings instituted by or against Elan as a consequence of taking or holding the security or of enforcing the Collateral Rights.

### 25.2 **Stamp Taxes**

The Company shall pay all stamp, registration and other taxes to which this Debenture, the security contemplated in this Debenture or any judgment given in connection with it is or at any time may be subject and shall, from time to time, indemnify Elan on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

### 25.3 **Indemnity**

The Company shall, notwithstanding any release or discharge of all or any part of the security, indemnify Elan, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Company of the provisions of this Debenture, the exercise or purported exercise of any of the rights and powers conferred on them by this Debenture or otherwise relating to the Charged Property.

## 26. **PAYMENTS FREE OF DEDUCTION**

All payments to be made under this Debenture shall be made free and clear of and without deduction for or on account of tax unless the Company is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Company in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, Elan receives and retains (free from any liability in

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respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

## 27. DISCRETION AND DELEGATION

### 27.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture by Elan or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

### 27.2 Delegation

Each of Elan and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by Elan or the Receiver itself.

## 28. GOVERNING LAW AND JURISDICTION

This Debenture is governed by English law.

### 28.1 English Courts

The courts of England have exclusive jurisdiction to settle any disputes (a “**Dispute**”) arising out of, or connected with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or the consequences of its nullity).

### 28.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

**THIS DEBENTURE** has been signed on behalf of Elan and executed as a deed by the Company and is delivered by it on the date specified above.

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## SCHEDULE 1

### SECURED PARTIES

1. **ELAN CORPORATION, PLC.**, a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland;
2. **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland;
3. **ELAN INTERNATIONAL SERVICES, LTD.**, a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda;
4. **ELAN PHARMACEUTICALS, INC.**, a corporation duly organised and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California; and
5. **MONKSLAND HOLDINGS BV**, a private company limited by shares incorporated in the Netherlands under registered number 33265127, whose registered office is at Amsteldijk 166, 1079 Amsterdam, Netherlands.

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## SCHEDULE 2

### FORMS OF NOTICE OF ASSIGNMENT

#### *Form of Assignment of Proceeds Account*

To: [Account Bank]

Date: [ ]

Dear Sirs,

We hereby give you notice that we have assigned and charged to Elan Corporation, plc. (the “Trustee”) all of our right, title and interest in and to account number [•], account name [•] (including any renewal or re-designation of such account ) and all monies standing to the credit of that account from time to time (the “Account”).

With effect from the date of your receipt of this notice:

- (b) any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made to the Trustee or to its order (with a copy to Amarin Corporation plc)
- (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Account belong to the Trustee.

Please accept this notice by signing the enclosed acknowledgement and returning it to the Trustee at [ ] marked for the attention of [ ].

Yours faithfully

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for and on behalf of  
**Amarin Corporation plc**

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To: **ELAN CORPORATION, PLC.**

Date: [ ]

At the request of the Trustee and Amarin Corporation plc. we acknowledge receipt of the notice of assignment and charge, on the terms attached, in respect of the Account (as described in those terms). We confirm that:

- the balance standing to the Account at today's date is [•], no fees or periodic charges are payable in respect of the Account and there are no restrictions on (a) the payment of the credit balance on the Account [(except, in the case of a time deposit, the expiry of the relevant period)] or (b) the assignment of the Account to the Trustee or any third party;
- we have not received notice of any previous assignments of, charges over or trusts in respect of, the Account and we will not, without the Trustee's consent (a) exercise any right of combination, consolidation or set-off which we may have in respect of the Account or (b) amend or vary any rights attaching to the Account; and
- we will act only in accordance with the instructions given by persons authorised by the Trustee and we shall send all statements and other notices given by us relating to the Account to the Trustee.

For and on behalf of [•]

By: \_\_\_\_\_

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### ***Form of Assignment of Insurance***

To: [Insurer]

Date: [ ]

Dear Sirs,

We hereby give you notice that we have assigned to Elan Corporation, plc (the "**Trustee**") pursuant to a debenture entered into by us in favour of the Trustee dated [ ] all our right, title and interest in and to the proceeds of [insert details of relevant insurance policy] (the "**Policy of Insurance**").

With effect from your receipt of this notice we instruct you to:

1. make all payments and claims in excess of £ 50,000 under or arising from the Policy of Insurance to the Trustee [insert an account number] or to its order as it may specify in writing from time to time;
2. note the interest of the Trustee on the Policy of Insurance; and
3. disclosure to the Trustee, without further approval from us, such information regarding the Policy of Insurance as the Trustee may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

With effect from your receipt of this notice all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Policy of Insurance (including all rights to compel performance) belong to and are exercisable by the Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Trustee at [ ] marked for the attention of [ ].

Yours faithfully,

[On copy only:

To: Elan Corporation, plc

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, title and interests and benefits referred to in such notice and that we will comply with the terms of that notice.

We further confirm that no amendment or termination of the Policy of Insurance shall be effective unless we have given the Trustee thirty days written notice of such amendment or termination.

For and on behalf of [            ]

By: \_\_\_\_\_

Dated:

**SCHEDULE 3**  
**ENCUMBRANCES OUTSTANDING**

[To follow in accordance with Clause 1.]

**The Company**

EXECUTED as a DEED  
by **AMARIN CORPORATION PLC**

\_\_\_\_\_ Director

\_\_\_\_\_ Director/Secretary

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**Elan**

**ELAN CORPORATION, PLC.**

**By:**

EXECUTION COPY

Date: 23 December 2003

AMARIN CORPORATION PLC.

AND

ELAN CORPORATION, PLC.

As Trustee

## DEBENTURE AMENDMENT AGREEMENT

*Debenture, 4 August 2003*INDEX

1. [DEFINITIONS AND INTERPRETATION](#)
2. [AMENDMENTS TO CHARGE](#)
3. [REPRESENTATIONS, WARRANTIES AND CERTIFICATE](#)
4. [MISCELLANEOUS](#)

THIS DEED is executed and delivered the 23<sup>rd</sup> December 2003**BETWEEN:**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG, England (“**the Company**”)
- (2) **ELAN CORPORATION, PLC.**, a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland, as trustee for the Secured Parties (“**Elan**”)

**RECITALS:**

- (A) Elan and the Company are parties to the Charge, as defined below.
- (B) The Company wishes to further restructure its relationship with Elan, and accordingly the parties have agreed to do so upon the terms set out in the Amendment Agreement, the Bridging Loan Agreement (as defined below) and this Charge Amendment.

NOW IT IS AGREED in consideration of the mutual promises and undertakings set out herein as follows:

**1. DEFINITIONS AND INTERPRETATION**1.1. Definitions:

In this Charge Amendment:

“**Amendment Agreement**” shall mean the amendment agreement between, *inter alia*, Elan and the Company, of the same date as this Charge Amendment.

“**Amendment Date**” shall mean 23 December 2003.

“**Bridging Loan Agreement**” shall mean the bridging loan agreement between Elan Pharmaceuticals, Inc. and the Company of the same date as this Amendment Agreement.

“**Charge**” shall mean the debenture, being a fixed and floating charge over the entire assets and business of Amarin, in favour of Elan as trustee for the Secured Parties (as defined therein), dated 4 August 2003

“**this Charge Amendment**” shall mean this debenture amendment agreement and shall include the Recitals and Schedules hereto.

“**Zelapar Letter**” shall have the same meaning as in the Amended and Restated Master Agreement.

1.2. Other Defined Terms and Interpretation:

Except as expressly set out in this Amendment Agreement:

- 1.2.1 all defined terms shall have the same meaning as in the Charge;
- 1.2.2 references to clause or section numbers shall be to those of the Charge; and
- 1.2.3 this Charge Amendment shall otherwise be interpreted in the same manner as the Charge.

2. AMENDMENTS TO CHARGE

The Charge is hereby amended with effect from the Amendment Date, as follows:

2.1. In Clause 1, the definition of “Amended and Restated Master Agreement” is deleted and replaced by the following:

“**Amended and Restated Master Agreement**” means the agreement between the Company and the Secured Parties dated the date hereof amending a Master Agreement dated 27 January 2003, as further amended by an Amendment Agreement between the Company and the Secured Parties dated 23 December 2003 (for the avoidance of doubt including the Bridging Loan Agreement of the same date between Elan Pharmaceuticals, Inc. and the Company).”

2.2. At the end of Clause 7.3 (b), the following words are added:

“...(if paid by 31 December 2003) or \$31,500,000 (if thereafter).”

2.3. Clause 9.4.3 is deleted and replaced by the following:

- “9.4.3 The Company shall not be obliged to pay into the Proceeds Account a total of more than:
- (a) \$30,000,000 if such sum is paid into the Proceeds Account on or before 31 December 2003; or
  - (b) \$31,500,000 otherwise.”

3. REPRESENTATIONS, WARRANTIES AND CERTIFICATE

3.1. the Company represents and warrants to Elan that:

- 3.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under the Amendment Agreement, the Bridging Loan Agreement, this Charge Amendment, the Zelapar Letter and any ancillary documents pertaining thereto (together “**Transaction Documents**”), and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;
- 3.1.2 there are no agreements between the Company and any third party that conflict with the Transaction Documents;
- 3.1.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:
  - 3.1.3.1 approval of its shareholders; or
  - 3.1.3.2 approval of NASDAQ;
- 3.1.4 as of the date hereof, neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness (as defined in the Loan Agreement);
- 3.1.5 as of the date hereof and after giving effect to Clause 6 of the Amendment Agreement:
  - 3.1.5.1 Amarin is not in breach of any agreement between itself on the one hand and any Secured Party; and
  - 3.1.5.2 no Event of Default has occurred as defined in the Loan Agreement;
- 3.1.6 Amarin is able to pay its debts as they fall due and no Insolvency Event, as defined in the Amended and Restated Master Agreement, has occurred.

3.1.7 Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement.

4. **MISCELLANEOUS**

The following provisions of the Charge shall apply to this Charge Amendment *mutatis mutandis*: Clauses 20.2, 20.3, 20.4, 20.6, 23, 24, 25, and 28.

**THIS DEBENTURE AMENDMENT AGREEMENT** has been signed on behalf of Elan and executed as a deed by the Company and is delivered by it on the date specified above.

*[Signature Pages: Charge Amendment]*

**EXECUTED** and delivered as a Deed by:            )  
**AMARIN CORPORATION, PLC.**                            )  
  )  
acting by:    Director    )  
  )  
  Director / Secretary    )

**SIGNED** for and on behalf of  
**ELAN CORPORATION, PLC.**

By: \_\_\_\_\_

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EXECUTION COPY

Date: 25 February 2004

AMARIN CORPORATION PLC.

AND

ELAN CORPORATION, PLC.

As Trustee

## DEBENTURE AMENDMENT AGREEMENT NO. 2

*Debenture, 4 August 2003**Debenture Amendment Agreement, 23 December 2003*INDEX

1. [DEFINITIONS AND INTERPRETATION](#)
2. [AMENDMENTS TO CHARGE](#)
3. [REPRESENTATIONS, WARRANTIES AND CERTIFICATE](#)
4. [MISCELLANEOUS](#)

THIS DEED is executed and delivered the 25 February 2004

**BETWEEN:**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG, England (“**the Company**”)
- (2) **ELAN CORPORATION, PLC.**, a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland, as trustee for the Secured Parties (“**Elan**”)

**RECITALS:**

- (A) Elan and the Company are parties to the Charge, as defined below.
- (B) The Company effected the Swedish Sale (as defined in the Amended and Restated Master Agreement) and duly paid 90% of the Net Proceeds thereof received to 11 February 2004 into the Proceeds Account, which were then paid to Elan in accordance with the Amended and Restated Master Agreement.
- (C) Immediately prior to the execution of this Amendment No. 2, the Company has effected the sale of substantially all of its United States business pursuant to the Valeant Agreement (defined in the Charge as amended by this Amendment No. 2). Such sale included, *inter alia*, the Primary Care Portfolio, such of the Intellectual Property as related thereto and to the products Permax and Zelapar and the Shares in Amarin Pharmaceuticals, Inc.. The said transaction took place with Elan’s consent, subject to the execution and due performance of a Settlement Agreement and certain related documents between Elan, certain of the Secured Parties and the Company, as Elan and the Company hereby acknowledge. Elan has executed a deed of Partial Release in respect of the assets the subject of such sale.
- (D) The parties have agreed to restructure their relationship on the terms set out in the Settlement Agreement and certain related documents, and in this Charge Amendment No. 2.

NOW IT IS AGREED in consideration of the mutual promises and undertakings set out herein as follows:

**1. DEFINITIONS AND INTERPRETATION**1.1. Definitions:

In this Charge Amendment No. 2:

“**Amendment No. 2 Date**” shall mean 25 February 2004.



“**Charge**” shall mean the debenture, being a fixed and floating charge over the entire assets and business of Amarin, in favour of Elan as trustee for the Secured Parties (as defined therein), dated 4 August 2003 as amended by the debenture amendment agreement dated 23 December 2003.

“**this Charge Amendment No. 2**” shall mean this debenture amendment agreement no. 2 and shall include the Recitals and Schedules hereto.

“**Loan Agreement**” shall have the same meaning as in the Amended and Restated Master Agreement.

“**Transaction Documents**” shall mean together:

- (a) this Charge Amendment No. 2;
- (b) the Settlement Agreement and the Loan Instrument, as each of those terms is defined in the Charge as amended by this Charge Amendment No. 2;
- (c) that certain instrument relating to the issue of a warrant entitling the holder to subscribe for 500,000 ordinary shares in the capital of the Company, entered into by deed poll on 25 February 2004;
- (d) those certain assignment and assumption agreements relating to Zelapar between Elan Pharma International Limited and the Company, and between those parties and Valeant Pharmaceuticals International (“Valeant”) as of the date of this Charge Amendment No. 2; and
- (e) that certain assignment and assumption agreement relating to Permax between Elan Pharmaceuticals, Inc., the Company and Valeant as of the date of this Charge Amendment No. 2.

1.2. Other Defined Terms and Interpretation:

Except as expressly set out in this Amendment Agreement:

- 1.2.1 all defined terms shall have the same meaning as in the Charge;
- 1.2.2 references to clause or section numbers shall be to those of the Charge; and
- 1.2.3 this Charge Amendment No. 2 shall otherwise be interpreted in the same manner as the Charge.

2. AMENDMENTS TO CHARGE

The Charge is hereby amended with effect from the Amendment No. 2 Date, as follows:

2.1. In Clause 1, the following definitions are inserted:

“**Amendment No. 2 Date**” shall mean 25 February 2004.

“**Noteholders**” shall have the same meaning as in the Loan Instrument.

“**Notes**” shall have the same meaning as in the Loan Instrument.

“**Loan Instrument**” shall mean that certain instrument constituting up to \$5,000,000 8% Secured Loan Notes 2009 entered into by way of deed poll by the Company on 25 February 2004.

“**Settlement Agreement**” shall mean that certain settlement agreement between the Company, Elan and certain of the secured parties dated as of the Amendment No. 2 Date.

“**Valeant Agreement**” shall mean that certain asset purchase agreement by and between Valeant Pharmaceuticals International the Company and Amarin Pharmaceuticals Company Limited dated 11 February 2004, as may be amended from time to time (without prejudice to Clause 7.3).

“**Zelapar Approval Milestone**” shall mean the payment payable by Valeant Pharmaceuticals International to the Company in respect of the FDA’s approval of the NDA of the drug Zelapar pursuant to the Valeant Agreement.

“**Zelapar Completion Milestone**” shall mean payment payable by Valeant Pharmaceuticals International to the Company in respect of Successful Completion (as defined in the Valeant Agreement).

“**Zelapar Elan Milestone**” shall mean the sum of US\$1,000,000 payable by the Company to Elan Pharma International Limited upon Successful Completion pursuant to Clause 6.1 of the Settlement Agreement.

2.2. At the end of the definition of “Secured Parties”, the following words are added:

“including for the avoidance of doubt any lawful holder of any of the Notes”

2.3. At the beginning of Clause 1.2, the following words are added:

“Subject to Clause 23...”

2.4. The word “and” is moved from the end of Clause 2.1.1 to the end of Clause 2.1.2.

2.5. The following new Clause 2.1.3 is added:

“2.1.3 liabilities under the Loan Instrument and/or the Notes”

2.6. The following new Clause 3.1.9 is added:

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“3.1.9 the entire right and benefit of the Valeant Agreement, including the Zelapar Completion Milestone and the Zelapar Approval Milestone, but excluding (i) any amounts payable up to and including the Amendment No. 2 Date and (ii) the API Adjustment Amount (if payable to the Company) as defined in the Valeant Agreement.”

2.7. In Clause 7.2, the words “... except as permitted pursuant to this Clause 7 ...” are deleted. Clause 7.3 is deleted and replaced by the following.

“7.3 **Valeant Agreement**

The Company undertakes that neither it nor Amarin Pharmaceuticals Company Limited shall, during the subsistence of this Debenture without the prior written consent of Elan:

7.3.1 assign, release, compromise, discharge or otherwise dispose of or relinquish any of its rights under the Valeant Agreement; or

7.3.2 amend or agree to amend the Valeant Agreement in such manner that its rights (including its rights after giving effect to any available set-off) may be adversely affected thereby in any material respect.”

2.8. Clause 9.4 is deleted and replaced by the following:

“9.4 **Undertakings re: Proceeds Account**

9.4.1 Subject to Clause 9.4.2, the Company hereby undertakes to pay into the Proceeds Account all payments received under the Valeant Agreement, excluding:

9.4.1.1 any amounts payable up to and including the Amendment No. 2 Date;

9.4.1.2 the API Adjustment Amount (if payable to the Company) as defined in the Valeant Agreement; and

9.4.1.3 US\$2 million of the Zelapar Completion Milestone.

9.4.2 The Company shall not be obliged to pay into the Proceeds Account a total more than the aggregate of (a) the Zelapar Elan Milestone and (b) the amount which would be due under the Loan Instrument if, under its terms, repayment were demanded under Clause 6.4 thereof by all the Noteholders, including principal, and accrued interest.

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9.4.3 If:

(a) the Company has paid the Zelapar Elan Milestone; and

(b) either the Notes have been repaid or redeemed in full in accordance with the Loan Instrument; or:

(i) the Zelapar Approval Milestone has been paid into the Proceeds Account; and

(ii) the Company has duly given notice to the Noteholders of their right to repayment under Clause 6.4 of the Loan Instrument; and

(iii) the Company has duly made such repayment of the Notes to those of the Noteholders who have required the Company to do so; and

(iv) the time for the remaining Noteholders to require repayment of their Notes has expired; and

(v) the remaining Noteholders are not then otherwise entitled to require repayment of their Notes.

(c) no other Secured Obligations are then due or known—

(the concurrence of (a), (b) and (c) the “**Releasing Circumstances**”)

the Company may pay the balance of the Proceeds Account into an Account.”

2.9. At the beginning of Clause 9.5, the following words are added:

“Subject to Clause 9.4.3...”

2.10. The second sentence of Clause 9.5 (“Elan hereby authorises ...”) is deleted and replaced by the following:

“Elan hereby authorises the Company to transfer funds from the Proceeds Account to fulfil the obligations set out in Clause [6.1] of the Settlement Agreement and/or the obligations set out in Clause [6] of the Loan Instrument and/or to discharge any other Secured Obligations.”

2.11. Clauses 21.1.2 and 21.1.3 are deleted and replaced by the following:

“21.1.2 Upon:

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- (a) the Zelapar Elan Milestone being paid; and
  - (b) the Company representing and warranting to Elan by deed that to the best of its knowledge and belief, having made diligent enquiry, it is not in material breach of (i) the Loan Instrument; or (ii) the Valeant Agreement, nor has any event described in Clause 4.2 occurred;

then (i) the security that is constituted by this Debenture shall thereafter apply only to the entire right and benefit of the Valeant Agreement, including the Zelapar Approval Milestone, but excluding any amounts payable up to and including the Amendment No. 2 Date, and Elan will, at the written request of the Company, amend the registration of this Debenture at Companies House by filing a Form 403 recording the partial discharge and (ii) Clauses 8 (Shares and Investments), 10 (Monetary Claims) (save to the extent that Monetary Claims arise under the Valeant Agreement) and 11 (Insurances) of this Debenture shall forthwith cease to have any effect.

For the purposes of this Clause 21.1.2 only, a “material” breach is one which, if unremedied, may permit the holders of the Notes to declare the Notes due and payable, or permit non-payment or the delay in payment of the Zelapar Approval Milestone pursuant to the Valeant Agreement.

21.1.3 Upon:

- (a) the occurrence of the Releasing Circumstances; and
- (b) either (i) the Company representing and warranting to Elan by deed that to the best of its knowledge and belief, having made diligent enquiry, there is no matter outstanding in respect of which Elan may have liability under Clause 3(A) of the Lilly Agreement; or (ii) the date in question being on or after 30 April 2005 –

Elan shall, at the request and cost of the Company, release and cancel the security constituted by this Debenture and procure the reassignment to the Company of the property and assets assigned to Elan pursuant to this Debenture, in each case subject to Clause 21.2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, Elan or any of its nominees.”

### 3. **REPRESENTATIONS, WARRANTIES AND CERTIFICATE**

3.1. the Company represents and warrants to Elan that:

3.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under the Transaction Documents, and its obligations under the

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Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

3.1.2 there are no agreements between the Company and any third party that conflict with the Transaction Documents;

3.1.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

3.1.3.1 approval of its shareholders; or

3.1.3.2 approval of NASDAQ;

3.1.4 as of the date hereof, neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness (as defined in the Loan Agreement);

3.1.5 as of the date hereof:

3.1.5.1 Amarin is not in breach of any agreement between itself on the one hand and any Secured Party; and

3.1.5.2 no Event of Default has occurred as defined in the Loan Agreement;

3.1.6 Amarin is able to pay its debts as they fall due and no Insolvency Event, as defined in the Amended and Restated Master Agreement, has occurred.

3.1.7 Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement.

**4. MISCELLANEOUS**

The following provisions of the Charge shall apply to this Charge Amendment No. 2 *mutatis mutandis*: Clauses 20.2, 20.3, 20.4, 20.6, 23, 24, 25, and 28.

**THIS DEBENTURE AMENDMENT AGREEMENT NO. 2** has been signed on behalf of Elan and executed as a deed by the Company and is delivered by it on the date specified above.

*[Signature Pages: Charge Amendment No. 2]*

**EXECUTED** and delivered as a Deed by:            )  
**AMARIN CORPORATION, PLC.**                            )  
  )  
acting by:    Director    )  
  )  
  Director / Secretary    )

**SIGNED** for and on behalf of  
**ELAN CORPORATION, PLC.**

By: \_\_\_\_\_

EXECUTION COPY

Date: [ ] February 2004

## AMARIN CORPORATION PLC.

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**INSTRUMENT**  
**constituting up to \$5,000,000**  
**8 per cent.**  
**Secured Loan Notes 2009**

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**BCM Hanby Wallace**  
Solicitors  
88 Harcourt Street  
Dublin 2  
Ireland  
Tel: +353 1 418 6900  
Fax: +353 1 418 6807

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**THIS INSTRUMENT** is entered into by way of **DEED POLL** on [ ] February 2004 by **AMARIN CORPORATION PLC.**, registered in England and Wales number 2353920 whose registered office is at 7 Curzon Street, London W1J 5HG (the “**Company**”).

**WHEREAS** the Company has by a resolution of its board of directors (being duly empowered and authorised by the memorandum and articles of association of the Company) to issue 8% secured loan notes 2009 and has determined to constitute the same in the manner hereinafter appearing.

**NOW THIS INSTRUMENT WITNESSES** and the Company **HEREBY AGREES** and **DECLARES** as follows:-

**1. Interpretation**1.1. Definitions:

“**Board of Directors**” means the board of directors of the Company for the time being constituted.

“**Business Day**” means a day (other than a Saturday or Sunday) on which clearing banks are generally open for business in London.

“**Certificate**” means a certificate for Notes issued in accordance with Clause 6 and in the form or substantially in the form set out in Schedule 1.

“**Debenture**” means that certain Debenture dated 4 August 2003 between the Company and Elan Corporation, plc, as trustee for the Secured Parties (as defined therein), as amended by (a) that certain Amendment to Debenture dated 23 December 2003 between the same parties, and (b) that certain Amendment No. 2 to Debenture dated the same date as this Instrument also between the same parties.

“**Extraordinary Resolution**” means (subject to paragraph 16 of Schedule 2) a resolution passed by a majority consisting of not less than 75% (seventy five per cent.) of the Noteholders present and voting upon a show of hands at a meeting of the Noteholders or if a poll is demanded in accordance with Schedule 2 by a majority consisting of not less than 75% (seventy five per cent.) of the votes given on such poll.

“**this Instrument**” includes its Schedules.

“**Interest Payment Date**” has the meaning set out in Clause 3.

“**Make-Whole Amount**” means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

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“**Called Principal**” means, with respect to any Note, the principal of such Note that is properly declared to be immediately due and payable pursuant to Clause 8.3.

“**Discounted Value**” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” means, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page 678” on the Dow Jones Markets Service (or such other display as may replace Page 678 on Dow Jones Markets Service) for actively traded U.S. Treasury securities having a maturity equal to the remaining term of the Notes as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in U.S. Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to remaining term of the Notes as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the duration closest to and greater than the remaining term of the Notes and (2) the actively traded U.S. Treasury security with the duration closest to and less than the remaining term of the Notes.

“**Remaining Scheduled Payments**” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date.

“**Settlement Date**” means, with respect to the Called Principal of any Note, the date on which such Called Principal is properly declared to be immediately due and payable pursuant to Clause 8.3 as the context requires.

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“**Noteholders**” means the several persons for the time being entered in the Register as holders of Notes.

“**Notes**” means the \$5,000,000 8% secured loan notes 2009 of the Company constituted by this Instrument or as the case may be the amount thereof for the time being issued and outstanding.

“**Register**” means the register of the Noteholders kept by the Company pursuant to Clause 14.

“**subsidiary**” has the same meaning as in Section 736 of the Companies Act 1985.

“**Tax**” means all forms of taxation, duties, imposts, levies, withholding, rates and charges of whatsoever nature whether of the United Kingdom or elsewhere in any part of the world wherever and whenever created or imposed and any taxes, duties, imposts or levies supplementing or replacing any of the foregoing and any and all interests, charges, surcharges, fines and penalties in relation to any of the foregoing.

“**Valeant Agreement**” shall mean that certain asset purchase agreement between Valeant, the Company and Amarin Pharmaceutical Company Limited dated 11 February 2004.

“**Zelapar Milestone**” shall mean the milestone payable by Valeant Pharmaceuticals International (“**Valeant**”) in respect of the FDA’s approval of the NDA of the drug Zelapar for Parkinson’s disease pursuant to the Valeant Agreement.

“**\$**” means United States dollars.

In this Instrument:

- 1.2.1 the singular includes the plural and vice versa, the masculine includes the feminine and vice versa and references to natural persons include corporate bodies, partnerships and vice versa.
- 1.2.2 any reference to a Clause, Schedule or paragraph, unless otherwise specifically provided, shall be respectively to a Clause, Schedule or paragraph of this Instrument.
- 1.2.3 the headings of this Instrument are for ease of reference only and shall not affect its construction or interpretation.
- 1.2.4 the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.
- 1.2.5 if any action or duty to be taken or performed under any of the provisions of this Instrument would fall to be taken or performed on a day which is not a Business Day such action or duty shall be taken or performed on the Business Day next following such day.

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## **2. Amount and Status of Notes**

- 2.1. The principal amount of the Notes is limited to \$5,000,000. The Notes shall be issued fully paid up in nominal amounts and integral multiples of \$10,000, subject to and with the benefit of the provisions of this Instrument. All the obligations and covenants contained in this Instrument shall be binding on the Company and the Noteholders and all persons claiming through them.
- 2.2. The Notes shall be issued at such time or times and on such terms and either for cash or such other consideration as the Directors shall determine.
- 2.3. The Company shall at all times ensure that the Notes shall rank *pari passu* with each other, and shall rank prior to any other obligations of the Company, so far as legally permitted.
- 2.4. No application has been or will be made to any stock exchange for the listing of, or for permission to deal in, all or any of the Notes.

## **3. Fixed and Floating Security**

- 3.1. The Company covenants to keep in force and comply with the Debenture so far as legally permitted to do so, subject to the rights of release provided in the Debenture.

## **4. Interest**

- 4.1. The Notes will carry interest at the rate of 8% (eight per cent.) per annum on the principal amount of the Notes.
- 4.2. In each case, such interest will accrue on the principal of the Notes from day to day. Interest will be payable by semi-annual instalments in arrears on 31 January and 31 July in each year (each an “**Interest Payment Date**”) and the first payment of interest will be made on 31 July 2004 in respect of the period from the date of first issue of the Notes to such first payment date.

## **5. Default Interest**

In the event that the Company fails to pay any amount payable by it under this Instrument on the due date, then without prejudice to any other right or remedy the Noteholders may have, the Company shall additionally pay to the Noteholders default interest on the principal sum not paid (but not the interest thereon) at the rate of 3% (three per cent.) per annum (“**Default Interest**”). Default Interest shall:

- 5.1. be payable forthwith upon demand;
- 5.2. be payable after judgment as well as before;
- 5.3. accrue from day to day and be calculated on the basis of actual days elapsed and a 365 day year; and

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- 5.4. be paid without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.

## **6. Redemption of Notes**

- 6.1. All Notes not previously redeemed by the Company under any of the provisions of this Instrument will be repaid together with accrued interest as follows:
  - 6.1.1 30% (thirty per cent.) of the nominal amount of the Notes on 31 January 2006;
  - 6.1.2 30% (thirty per cent.) of the nominal amount of the Notes on 31 July 2007;
  - 6.1.3 the balance of 40% (forty per cent.) of the nominal amount of the Notes on 31 January 2009.

- 6.2. The Company may at any time redeem any Notes by tender (available to all Noteholders alike) or by private treaty or otherwise at any price agreed between the Noteholder and the Company.
- 6.3. The Company may at any time upon 30 (thirty) days' notice to the Noteholders redeem all or any of the Notes (in integral multiples of \$10,000) at par together with accrued interest (based on a 365 day year) at their outstanding nominal value plus 5% (five per cent.) of the par value of the Notes then redeemed **PROVIDED THAT** any such redemption shall be made of the Noteholders *pro rata* to the Notes held by such Noteholder rounded to the nearest integral multiple of \$10,000.
- 6.4. Upon receiving the Zelapar Milestone, the Company shall forthwith so notify the Noteholders of that fact and of the provisions of this Clause 6.4. For a period of 60 (sixty) days thereafter, the Noteholders shall be entitled, but not obliged, to require the Company to redeem all of the Notes held by that Noteholder, or any part thereof (being an integral multiple of \$10,000) at their outstanding nominal value together with accrued interest (based on a 365 day year).

## 7. **Tax**

- 7.1. If the Company is required by law to pay or withhold Tax on behalf of the Noteholders with respect to any monies payable to the Noteholders under this Instrument:
- 7.1.1 the Company shall deduct them from the amount of such monies due;
- 7.1.2 any such tax required to be paid or withheld shall be an expense of and borne solely by the Noteholder;
- 7.1.3 the Company shall promptly provide the Noteholder with a certificate or other documentary evidence to enable the Noteholder to support a claim for a refund or a foreign tax credit.

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- 7.2. The Company agrees to co-operate with the Noteholders upon request in all respects necessary to take advantage of any double taxation agreements or similar agreements as may, from time to time, be available in order to enable the Company to make such payments to the Noteholders without any deduction or withholding.

## 8. **Events of Default**

- 8.1. Each of the following shall be an Event of Default:
- 8.1.1 **Failure to Pay.** The Company fails to pay on the due date for payment any sum due from it under this Instrument, except where such failure to pay is due solely to a technical or administrative delay and is remedied within 10 Business Days of the due date for payment.
- 8.1.2 **Breach of Warranty.** Any representation or warranty made in writing by or on behalf of either the Company or by any officer of the Company in this Instrument or in any written statement or certificate furnished in connection with the transactions contemplated hereby, or by the Notes proves to have been false or incorrect in any material respect on the date as of which made.
- 8.1.3 **Breach of Covenant.** The Company fails to comply with any of the obligations expressed to be assumed by it under Clause 9 and such failure is not remedied within 10 Business Days of receiving notice of such failure from Elan.
- 8.1.4 **Insolvency and Rescheduling.** The Company is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or composition with its creditors.
- 8.1.5 **Winding Up.** The Company takes any corporate action or other steps are taken or legal proceedings are started for its winding up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets.
- 8.1.6 **Execution or Distress.** Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertakings or assets of the Company or any event occurs which under the laws of any jurisdiction has a similar or analogous effect.
- 8.1.7 **Repudiation.** The Company repudiates this Instrument or the Notes or evidences an intention to repudiate this Instrument or the Notes.
- 8.1.8 **Default under the Debenture.** The Company materially breaches the Debenture, which breach is not remedied within 5 (five) Business Days of such of the Noteholders who alone or together hold more than 25% (twenty five per cent.) of the nominal value of the Notes giving written notice to the Company of such breach.

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- 8.1.9 **Failure to Pay Other Amount.** The Company makes default on any loan, guarantee or indemnity in any amount exceeding in aggregate value \$10,000 (ten thousand dollars), except where such failure to pay is due solely (i) to a technical or administrative delay and is remedied within 3 Business Days of the due date for payment or (ii) a bona fide dispute between the parties in respect of such loan, guarantee or indemnity.
- 8.1.10 **Cross Default.** Any other loan notes or any loan stock or other indebtedness other than trade debts arising in the ordinary course of business issued or owing by the Company become repayable before its due date by reason of the Company's default or is not paid when



due.

- 8.1.11 Subsidiary Event. Any of the foregoing events listed in Clauses 8.1.1 to 8.1.10 occurs in respect of any subsidiary of the Company.
- 8.1.12 Cessation of Business. The Company ceases or threatens to cease carrying on its business or a material part of its business.
- 8.1.13 Change of Control. Any third party (or third parties acting in concert) shall, directly or indirectly, acquire fifty percent (50%) or more of the then voting stock of the Company, or otherwise merge, consolidate or enter into any similar transaction (or binding agreement in respect thereof) with the Company in a transaction after which the Company is not the controlling entity.

8.2. The Company shall notify the Noteholders upon the occurrence of an Event of Default or when circumstances occur such that, in the reasonable opinion of the Board of Directors, an Event of Default is likely.

8.3. Upon the occurrence of an Event of Default, such of the Noteholders who alone or together hold more than 25% (twenty five per cent.) of the nominal value of the Notes may at any time thereafter by notice to the Company, declare the Notes to be immediately due and payable together with accrued interest and the Make-Whole Amount, or declare the Notes to be due and payable on demand of such of the Noteholders who alone or together hold more than 25% (twenty five per cent.) of the nominal value of the Notes. If such Noteholders declare the Notes due and payable on demand, then at any time thereafter, such of the Noteholders who alone or together hold more than 25% (twenty five per cent.) of the nominal value of the Notes may by notice to the Company require payment of the Notes, together with accrued interest and the Make-Whole Amount, on such date as may be specified in such notice or withdraw such declaration with effect from such date as they may specify.

For the avoidance of doubt, those of the Noteholders subsequently declaring the Notes due and payable need not be the same Noteholders who declared the Notes due and payable upon demand.

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## 9. Covenants

The Company covenants that (save with the prior consent of the Noteholders by Extraordinary Resolution) so long as any of the Notes are outstanding:

- 9.1. Provide Information. The Company will concurrently with the issue of the same to its ordinary shareholders send to each Noteholder a copy of each published annual report and accounts of the Company, together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued to ordinary shareholders.
- 9.2. Limitations on Indebtedness. The Company will not create, incur, assume, permit to exist, or in any manner become liable in respect of any indebtedness other than:
- 9.2.1 indebtedness ranking subordinate to the Notes; or
- 9.2.2 after partial release of the security constituted by the Debenture in accordance with Clause 21.1.2 thereof, prior to, *pari passu* with, or subordinate to the Notes provided that the Company shall procure that any such indebtedness shall rank subordinate to the notes in respect of those assets of the Company which remain charged by the Company pursuant to Clause 21.1.2 of the Debenture, being, for the avoidance of doubt, the entire right and benefit of the Valeant Agreement; or
- 9.2.3 after due discharge of the Debenture in accordance with its terms any indebtedness not otherwise prohibited by law or by the provisions of this Instrument or any other agreement or instrument to which the Company is a party.
- 9.3. Restricted Payments. The Company will not declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of shares of the Company or any warrants or options to purchase capital stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company, save from distributable profits (within the meaning of the Companies Act 1985) in excess of three times the amount outstanding on the Notes from time to time.
- 9.4. Limitations on Capital Expenditures. The Company will not make or commit to make any expenditure in respect of the purchase or other acquisition of fixed or capital assets, including intangible assets, outside the ordinary course of business.
- 9.5. Limitations on Modifications of Memorandum and Articles of Association. The Company will not cause or permit any amendment to be made to its Memorandum or Articles of Association.
- 9.6. Extension to Subsidiaries. The Company will procure that each of its subsidiaries obeys the covenants listed in Clauses 9.1 to 9.5 as if each such Clause referred to that subsidiary rather than the Company.

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## 10. Representations and Warranties

The Company represents and warrants to the Noteholders as follows:

- 10.1. The Company has all requisite corporate power and authority to authorise and execute this Instrument, the Notes and the certificates evidencing them and to perform all obligations and undertakings under the Notes and the certificates evidencing them, without the approval of its shareholders, NASDAQ or any other person.

- 10.2. This Instrument and the Notes have been duly authorised and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms.
- 10.3. The Notes when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable.
- 10.4. The execution and delivery of the Notes is not, inconsistent with the Company's Memorandum and Articles of Association or any regulation adopted by the Company, as amended, and do not and will not constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound.

**11. Certificates**

- 11.1. Each Noteholder or the joint holders of any of the Notes shall be entitled without charge to one Certificate for the total amount of Notes registered in his name or their names or, if he or they desire, to several such Certificates each for a part (being \$10,000 in nominal value of the Notes or an integral multiple thereof) of the Notes so registered. Any Certificate in the names of joint holders of any of the Notes shall be delivered to the first named of such joint holders in the Register unless all such joint holders otherwise specify to the Company in writing.
- 11.2. Every Certificate shall be executed as a deed by the Company and shall bear a denoting number and the Company shall attach a copy of this Instrument to each Certificate.
- 11.3. The Company covenants with the Noteholders that upon receipt of a description of circumstances reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of a Certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Certificate, the Company will make and deliver a new Certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Certificate.

**12. Surrender and Cancellation**

- 12.1. Notes shall only be redeemed against surrender of the relevant Certificate(s) for cancellation in the case of full redemption (or such tender as would be required to

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obtain a new certificate under Clause 11.3) and for the enfacement of a memorandum of the amount and date of redemption in the case of partial redemption.

- 12.2. If any Noteholder whose Note is liable to be redeemed (whether in whole or in part) under the provisions of this Instrument shall fail or refuse to deliver up the Certificate(s) for such Notes at the time and place fixed for redemption thereof or shall fail or refuse to accept payment of the redemption monies payable in respect thereof the monies payable to such Noteholder may be paid over by the Company to a separate account to be held in trust for such Noteholder but without interest and such setting aside shall be deemed for all purposes hereof to be a payment to such Noteholder and the Company shall thereby be discharged from all obligations in connection with such Notes other than under the said trust.
- 12.3. All Notes redeemed by the Company under the provisions of this Instrument shall be cancelled and the Company shall not re-issue the same Notes.

**13. Payment**

Payment of the principal amount of the Notes or any part of the Notes and any accrued interest thereon may be made in immediately available funds by banker's draft payable to, or direct bank transfer to the account of, the registered holder thereof or in the case of joint registered holders of any Notes to the first named of such joint holders in the Register unless all such joint holders otherwise specify to the Company in writing.

**14. Register of Noteholders**

- 14.1. The Company shall at all times maintain a register at its registered office in which shall be entered the names and addresses of the holders for the time being of the Notes, the amount of the Notes currently held by every registered holder and the principal monies paid up thereon, the dates upon which the name of such holder is registered as holder thereof, the serial number of each Certificate issued and its date of issue.
- 14.2. Each Noteholder shall forthwith notify the Company of any change of his name or address and the Company upon receiving such notification shall alter the Register accordingly.
- 14.3. The Register shall, at all reasonable times during office hours, be open for inspection by the Noteholders or any of them, or by any person authorised in writing by the Noteholder, without charge provided that the Register may be closed by the Company for such period or periods and at such times as the Company may at its discretion think fit provided that the Register is not to be closed for more than 30 (thirty) days in any one year and during such period the Company shall be under no obligation to register any transfers of Notes.

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**15. No Set Off**

Every Noteholder shall be entitled to the principal amount of his Notes and accrued interest (after deduction of tax) free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Notes.

**16. Transfer of Notes**

- 16.1. The Notes are transferable in nominal amounts and integral multiples of \$10,000.

16.2. The Notes may be transferred by means of instrument of transfer in any usual or common form, or in any other form which may be approved by the directors of the Company. The transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the Register in respect thereof.

**17. Transmission of Notes**

17.1. Any person entitled to a Note by reason of the death or bankruptcy of any Noteholder or otherwise by operation of law may be registered as the holder thereof or may transfer such Note in the same way as could the person from whom his title is derived, upon such evidence of his title being produced as the Board of Directors may reasonably require. The Company may in its sole discretion retain any payments on such a Note until the person entitled to be registered under this Clause in respect of such a Note has been duly registered or, as the case may be, until registration of such transfer.

17.2. A person becoming entitled to a Note in consequence of the death or bankruptcy of a Noteholder shall (unless he has failed to comply with Clause 17.1) have the rights to which he would have been entitled if he were the holder of the Note, except that he shall not, before being registered as the holder of the Note, be entitled in respect of it to attend or vote at any meeting of the Noteholders. Where a person becomes entitled to a Note by transmission, the rights of the holder in relation to it cease.

**18. Modification of rights**

All or any of the rights attaching to the Notes may from time to time (whether or not the Company is being wound up) only be altered or abrogated by the Company with the consent of the Noteholders by Extraordinary Resolution.

**19. Notices**

19.1. All notices, demands and requests of any kind to be delivered to any party in connection with the Notes shall be in writing and shall be deemed to have been duly given if personally or hand delivered, at the time of receipt; if sent by an internationally-recognised overnight delivery courier, on the first business day after the package is in the custody of the courier; by registered or certified mail, return receipt requested and postage prepaid, on the fourth business day after the package is

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delivered in the custody of the postage service; or by facsimile transmission, upon receipt of confirmation of delivery, in each case addressed as follows:

if to the Company, to:

Amarin Corporation plc.  
7 Curzon Street  
London  
W1J 5HG  
England

Attention: Company Secretary  
Fax: +44 20 7499 9004

if to a Noteholder or Noteholders, at its or their address(es) as appearing in the Register.

**20. Waiver, Release and Remedies**

20.1. A waiver by the Company or a Noteholder of any breach by the other of any of the terms or provisions of this Instrument or the acquiescence of the former in any act (whether commission or omission) which but for such acquiescence would be a breach as aforesaid shall not constitute a general waiver of such term or provision or an acquiescence to any subsequent act contrary thereto.

20.2. Any remedy or right conferred upon the Company or a Noteholder for breach of this Instrument shall be in addition to and without prejudice to all other rights and remedies available to it whether pursuant to this Instrument or provided for by law.

20.3. No failure or delay by the Company or Noteholder in exercising any claim, remedy, right, power or privilege under this Instrument shall operate as a waiver nor shall a single or partial exercise of any claim, remedy, right, power or privilege preclude any further exercise thereof or exercise of any other claim, right, power or privilege.

20.4. Any liability of the Company or the Noteholder under the provisions of this Instrument may in whole or in part be released, varied, postponed, compounded or compromised by the other in its absolute discretion as regards such person without in any way prejudicing or affecting its rights against any other person under the same or a like liability whether joint and several or otherwise. Should any provision of this Instrument transpire not to be enforceable against any person, such non-enforceability shall not render such provision unenforceable against any other person.

**21. Governing Law and Jurisdiction**

This Instrument shall be governed by and construed in accordance with English law. Each of the Noteholders and the Company hereby agrees, that the English Courts shall have jurisdiction to hear and determine any suit, action or proceedings that may arise out of or in connection with this Instrument and for such purposes irrevocably submits to the jurisdiction of such courts.

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IN WITNESS whereof this Instrument has been duly executed by the Company as a deed the day and year first above written.

EXECUTED as a DEED by )  
AMARIN CORPORATION PLC )  
acting by:- )

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

**SCHEDULE 1 FORM OF LOAN NOTE CERTIFICATE**

**AMARIN CORPORATION PLC.**

**(Registered in England and Wales No. 3565290)**

**LOAN NOTE CERTIFICATE**

**Loan Note Certificate Number •**

**ISSUE** of \$5,000,000 8% secured loan notes 2009 (the “Notes”)

Created and issued pursuant to the Company’s memorandum and articles of association and a resolution of its board of directors passed on [ ] February 2004 which resolved that such notes be so constituted.

**THIS IS TO CERTIFY** that the person named below is the registered holder of the nominal amount stated below of the Notes which are constituted by an instrument (the “Instrument”) entered into by the Company dated [ ] February 2004 (the “Instrument”) and are issued with the benefit of and subject to the provisions contained in the Instrument a copy of which is attached to this Certificate.

Interest is payable at the rate and on the terms and conditions set out in the Instrument.

The Notes are transferable only in nominal amounts and integral multiples of \$10,000. The Notes are transferable and redeemable in accordance with the terms and conditions contained in the Instrument.

**Holder:**

Name:

Address:

**Nominal amount of the Notes held by the Holder:**

\*\*\*\$[ ] ([ ] dollars)

**Date:** [ ] February 2004

**Executed as a deed by AMARIN CORPORATION PLC.**

\_\_\_\_\_

**Director**

\_\_\_\_\_

**Director/Secretary**

**SCHEDULE 2 MEETINGS OF NOTEHOLDERS**

**1. Convening of Meetings**

The Company may, at any time and from time to time, and shall upon the request in writing signed by any one or more of the Noteholders holding or together holding not less than 10% (ten per cent.) of the principal amount of the Notes for the time being outstanding convene a meeting of the Noteholders to be held at such place in London or Dublin as the Noteholders may specify, or in default of request, such place as the Company shall determine.

**2. Notice of Meetings**

- 2.1 At least 14 (fourteen) clear days' notice or, where the meeting is being convened for the purpose of passing an Extraordinary Resolution, at least 21 (twenty one) clear days' notice of every meeting shall be given to the Noteholders.
- 2.2 The notice shall specify the place, day and hour of meeting and the general nature of the business to be transacted but it shall not be necessary to specify in the notice the terms of any resolution to be proposed (except in the case of a meeting being convened for the purposes of an Extraordinary Resolution where the notice shall state the terms of the Extraordinary Resolution). The Notice shall state that the Noteholder is entitled to appoint a proxy to attend and on a poll to vote instead of him.
- 2.3 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by the Noteholders shall not invalidate the proceedings of or any resolution passed at that meeting.

### **3. Quorum**

The quorum at any meeting for the transaction of business other than passing an Extraordinary Resolution shall be any 2 (two) or more persons being or representing by proxy (or by a duly authorised representative in the case of a corporate Noteholder) Noteholders holding in the aggregate at least 10% (ten per cent.) of the principal amount of the Notes for the time being outstanding. The quorum for passing an Extraordinary Resolution shall be any 2 (two) or more persons being or representing by proxy (or by a duly authorised representative in the case of a corporate Noteholder) Noteholders holding in the aggregate a clear majority in principal amount of the Notes for the time being outstanding. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

### **4. Absence of Quorum**

- 4.1 A meeting requisitioned by the Noteholders or any of them shall be dissolved if there is no quorum present within 15 (fifteen) minutes from the time appointed for the meeting. In any other case it shall stand adjourned to a day (not being less than 14 (fourteen) days nor more than 28 (twenty eight) days thereafter) and to such time and place as the Chairman (as defined in paragraph 5) directs. At any such adjourned

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meeting, the Noteholders, proxies for Noteholders or duly authorised representative of a corporate Noteholder present whatever their number or the principal value of the Notes held or represented by them will constitute a quorum for all purposes (including the passing of an Extraordinary Resolution).

- 4.2 At least 7 (seven) clear days' notice of any such adjourned meeting of Noteholders shall be given in the same manner, *mutatis mutandis*, as for an original meeting and such notice shall state that the Noteholders, proxies for Noteholders or duly authorised representatives in the case of corporate Noteholders present whatever their number or the principal value of the Notes held or represented will constitute a quorum.
- 4.3 No business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

### **5. Chairman**

The Company may nominate in writing a person (who may be but need not be a Noteholder) to preside as chairman at a meeting but if no such person is nominated or if at any meeting the person nominated shall not be present within 15 (fifteen) minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be the chairman (the "**Chairman**").

### **6. Attendance of Directors and Advisers**

The directors, the secretary and the solicitors of and any other person authorised in that behalf by the Company may attend and speak at any meeting.

### **7. Resolutions**

A resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result on the show of hands a poll is demanded by the Chairman or by one or more Noteholders present in person, by proxy or by a duly authorised representative in the case of a corporate Noteholder and holding or representing in aggregate not less than 10% (ten per cent.) of the principal amount of the Notes for the time being outstanding. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

### **8. Poll**

- 8.1 If a poll is duly demanded (and the demand is not withdrawn before the poll is taken) it shall be taken in such manner and either forthwith or at such time and place as the Chairman may direct except that a poll demanded on the election of a Chairman or any question of adjournment shall be taken at the meeting without adjournment.

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- 8.2 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least 7 (seven) clear days' notice shall be given.
- 8.3 The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

8.4 The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

## **9. Voting**

9.1 On a show of hands, every Noteholder who being an individual is present in person or being a corporation is present by its authorised representative shall have 1 (one) vote. On a poll, every Noteholder who is present in person or by proxy or, in the case of a corporation, by its duly authorised representative shall have 1 (one) vote for every \$10,000 in nominal amount of Notes held by him.

9.2 A person entitled to more than 1 (one) vote on a poll need not use all his votes or cast all the votes he uses in the same way.

9.3 In the case of joint Noteholders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of such holding.

9.4 An objection to the qualification of any person voting or to the counting of, or failure to count, a vote may be raised only at the meeting or adjourned meeting at which the vote objected to is tendered. Unless an objection is made in due time, every vote counted and not disallowed at the meeting or adjourned meeting is valid and every vote disallowed or not counted is invalid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

## **10. Equality of Votes**

In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting (provided he is also a Noteholder or an authorised representative of a corporate Noteholder) shall be entitled to a casting vote in addition to any vote or votes to which he may be entitled as a Noteholder or proxy or corporate representative.

## **11. Adjournment of Meeting**

The Chairman may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No

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notice of any such adjourned meeting need be given except when the meeting is adjourned for 14 (fourteen) days or more or an Extraordinary Resolution is proposed to be passed at the adjourned meeting, in which event at least 7 (seven) clear days' notice shall be given.

## **12. Proxies**

12.1 The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either executed under its common seal or signed by an attorney or officer so authorised. The Company may (but shall not be bound to) require evidence of the authority of any such attorney or officer.

12.2 A person appointed to act as proxy need not be a Noteholder. The Chairman of the meeting may be designated as a proxy in an instrument of proxy without being named.

12.3 An instrument of proxy may be in the usual or common form or in any other form which the Company may approve and such proxy shall be deemed to confer authority to demand or join in demanding a poll.

12.4 An instrument of proxy shall be valid for any adjournment of the meeting to which it relates and the instrument shall be deemed to confer authority to vote on amendments to resolutions put to the meeting for which the authority is given or at an adjournment, unless in each case the contrary is stated on it.

12.5 Where it is desired to afford members an opportunity to instruct the proxy how he shall act, the instrument appointing a proxy shall be in any form which enables the Noteholders to direct how their votes are to be exercised on each of the resolutions comprised in the business of the meeting for which it is to be used.

12.6 The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a copy of such power or authority certified notarially or in some other way approved by the Board of Directors shall be deposited at the Company's registered office or at such place within England, Wales or Ireland as may be specified in the notice convening the meeting, or any document accompanying such notice, at such time as may be specified therein being not less than 48 (forty eight) hours before the time appointed for holding the meeting or adjourned meeting. In the case of a poll taken more than 48 (forty eight) hours after it is demanded, it shall be deposited as aforesaid after the poll has been demanded and not less than 24 (twenty four) hours before the time appointed for the taking of the poll. Where the poll is not taken forthwith but is taken not more than 48 (forty eight) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the secretary or to any director of the Company. Any instrument of proxy not deposited as provided for in this paragraph 12.6 shall be invalid.

12.7 An instrument appointing a proxy shall be invalid on the expiration of 12 (twelve) months from the date of execution.

12.8 A vote given or poll demanded by proxy or by the duly authorised representatives of a corporate Noteholder shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination

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was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

**13. Bodies Corporate acting by representatives**

Any body corporate being a Noteholder may in writing under the hand of one of its directors or its secretary authorise any person to act as its representative at any meeting of the Noteholders and the person so authorised shall be entitled to exercise the same powers on behalf of the body corporate he represents as that body corporate could exercise if it were an individual Noteholder present in person at the meeting.

**14. Powers of Meeting of Noteholders**

A meeting of the Noteholders shall in addition to any other powers have power by Extraordinary Resolution to:-

- 14.1 sanction on behalf of the Noteholders any scheme for the reconstruction of the Company or for the amalgamation of the Company with any other company;
- 14.2 sanction on behalf of the Noteholders any proposal made or approved by the Company for the exchange of the Notes for or the conversion of the Notes into shares, stock, debentures, debenture stock or other obligations or securities of the Company or any other company formed or to be formed, or cash or partly for, or into, such shares, stock, debentures, debenture stock or other obligations or securities as aforesaid and partly for, or into, cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Notes held by them in favour of the person to or with whom the Notes are to be sold or exchanged, respectively;
- 14.3 sanction on behalf of the Noteholders the release of the Company from the payment of all or any part of the principal monies and interest owing upon the Notes and other monies payable pursuant to this Instrument;
- 14.4 sanction on behalf of the Noteholders any modification, abrogation, extension, replacement or compromise of the rights of the Noteholders against the Company whether such rights shall arise under this Instrument or otherwise;
- 14.5 assent on behalf of the Noteholders to any modification abrogation, extension, replacement, or compromise of any provision of this Instrument proposed or agreed to by the Company and to authorise the Company to execute any instrument embodying the same; and
- 14.6 appoint on behalf of the Noteholders any persons (whether Noteholders or not) as a committee to represent the interests of the Noteholders and to confer upon such committee any powers or discretions which the Noteholders could themselves exercise.

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**15. Extraordinary Resolutions**

An Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held shall bind all the Noteholders whether or not present at the meeting where it was passed and each of the Noteholders shall be bound to give effect to such Extraordinary Resolution.

**16. Written Resolution**

A resolution in writing signed by all of the Noteholders for the time being outstanding (or by their duly authorised representatives in the case of corporations) shall be valid and effectual as if it had been passed as an Extraordinary Resolution at a meeting of the Noteholders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

**17. Minutes**

The Chairman shall at the expense of the Company procure that minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and duly entered in books to be provided for that purpose by the Company. Any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting of the Noteholders shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

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EXECUTION COPY

Date: 4 August 2003

ELAN CORPORATION, PLC.  
 ELAN PHARMA INTERNATIONAL LIMITED  
 ELAN INTERNATIONAL SERVICES, LTD.  
 ELAN PHARMACEUTICALS, INC.  
 MONKSLAND HOLDINGS BV  
 AND  
 AMARIN CORPORATION PLC.

AMENDED AND RESTATED MASTER AGREEMENT

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THIS AMENDED AND RESTATED AGREEMENT is made the 4<sup>th</sup> August 2003

**BETWEEN:**

- (1) **ELAN CORPORATION, PLC.**, a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland (“**Elan Corp**”)
- (2) **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland (“**EPIL**”)
- (3) **ELAN INTERNATIONAL SERVICES, LTD.**, a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda (“**EIS**”)
- (4) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California (“**EP Inc**”)



- (5) **MONKSLAND HOLDINGS BV**, a private company limited by shares incorporated in the Netherlands under registered number 33265127, whose registered office is at Amsteldijk 166, 1079 Amsterdam, Netherlands (“**Monksland**”)
- (6) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England (“**Amarin**”)

**WHEREAS:**

- (A) Elan and Amarin are parties to a Master Agreement dated 27 January 2003. Pursuant to that Master Agreement, Elan and Amarin executed the Amendments (as defined therein).
- (B) Amarin wishes to further restructure its relationship with Elan, and accordingly the parties have agreed to do so upon the terms set out in this Agreement and in the August 2003 Amendments (as defined below).

**NOW IT IS AGREED** in consideration of the mutual promises and undertakings set out herein as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1. Definitions:**

“**ADR**” shall mean the American Depositary Receipts of Amarin representing Amarin’s American Depositary Shares (“**ADSs**”), each of which currently represents one ordinary share of £1 in the capital of the Amarin and as are traded on the Nasdaq National Market under the symbol “**AMRN**”.

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“**Affiliate**” shall mean any corporation or entity controlling, controlled by or under the common control of Elan or Amarin or any third party, as the case may be. For the purpose of this definition, “control” shall mean direct or indirect ownership of fifty percent (50%) or more of the stock or shares entitled to vote for the election of directors.

“**this Agreement**” shall mean this amended and restated agreement and shall include the Recitals and Schedules hereto.

“**August 2003 Amendments**” shall mean the Carnrick Amendment, the Loan Amendment, the Permax Amendment and the Zelapar Amendment together.

“**Carnrick Agreement**” shall mean the Amended and Restated Asset Purchase Agreement dated as of 29 September 1999 (which agreement concerned certain products known as the “Carnrick products”) by and between EP Inc and Amarin, as varied.

“**Carnrick Amendment**” shall mean the Amendment Agreement No. 2 relating to the Carnrick Agreement, the final and definitive form of which is attached hereto.

“**Change of Control**” shall mean circumstances where any third party shall, directly or indirectly, acquire fifty percent (50%) or more of the then voting stock of Amarin, or otherwise merge, consolidate or enter into any similar transaction (or binding agreement in respect thereof) with Amarin in a transaction after which Amarin is not the controlling entity.

“**Charge**” shall mean the Fixed and Floating Charge over the entire assets and business of Amarin, in favour of Elan Corp, EPIL, EIS, EP Inc and Monksland, the final and definitive form of which is attached hereto.

“**Deferred Payment**” shall have the same meaning as in the Carnrick Agreement, as amended by the Carnrick Amendment.

“**Demandable Date**” shall mean the soonest of:

- (a) one (1) business day after the receipt by Amarin of Net Proceeds of the Legacy Sale, Swedish Sale and Further Equity Financing of not less than US\$30,000,000 (thirty million dollars);
- (b) a Change of Control; and
- (c) 31 December 2003.

“**Elan**” shall mean Elan Corp, EPIL, EIS, EP Inc and/or Monksland as the context requires.

“**Elan Agreements**” shall mean together :

- (a) this Agreement;

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- (b) the Existing Agreements, as amended by the respective August 2003 Amendments;
- (c) the Charge; and

- (d) the Registration Rights Agreement dated as of 21 October 1998 and amended by Amendment No. 1 and Waiver dated 27 January 2003 between Amarin, EIS and Monksland —

and “Elan Agreement” shall have a corresponding meaning.

“**Existing Agreements**” shall mean the Carnrick Agreement, the Loan Agreement, the Permax Agreement and the Zelapar Agreement.

“**Further Equity Financing**” shall mean all and any equity financing by Amarin or any Affiliate, including by the issue of shares of any class, warrants, debt convertible into equity and/or the grant of the right to receive or to subscribe for shares of any class.

“**Insolvency Event**” shall mean circumstances where:

- (a) Amarin is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors (other than Elan Corp and/or its Affiliates) with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or composition with its creditors;
- (b) Amarin takes any corporate action or other steps are taken or legal proceedings are started for its winding up (which are not dismissed or struck out within seven days of presentation), or for its dissolution, administration or re-organisation (other than in connection with a bona fide solvent restructuring) or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or of all or a substantial part of its revenues and assets; or
- (c) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any substantial part of, the property, undertakings or assets of Amarin or any event occurs which under the laws of any jurisdiction has a similar or analogous effect.

“**Legacy Sale**” shall mean the sale to one or more independent third parties of all or substantially all of the assets of Amarin and/or its Affiliates relating to all or substantially all of the following products/product lines: Motofen, Capital & Codeine, Nohalist and the Bontril and Phrenilin families of products.

“**Lilly**” shall mean Eli Lilly and Company, its successors or assigns.

“**Lilly Agreement**” shall mean the Amended and Restated License and Supply Agreement dated as of 29 March 2002 between Lilly and Amarin, relating to Permax.

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“**Lilly Guaranty**” shall mean Section 3(A) of the Consent to Assignment, Continuance of Limited License, Unconditional Continuing Limited Guaranty, and Confirmation of Continuing Obligations Agreement, by and between Lilly and EP Inc, effective as of 29 March 2002.

“**Loan**” shall have the same meaning as in the Loan Agreement, as amended by the Loan Amendment.

“**Loan Agreement**” shall mean the Loan Agreement dated 28 September 2001 between Amarin and EPIL, as varied by (i) a Deed of Variation dated 19 August 2002, (ii) a Deed of Variation No. 2 dated 23 December 2002 and (iii) a Deed of Variation No. 3 dated 27 January 2003.

“**Loan Amendment**” shall mean the Deed of Variation No. 4 relating to the Loan Agreement, the final and definitive form of which is attached hereto.

“**Net Proceeds**” means in relation to (a) the Legacy Sale and/or Swedish Sale or (b) Further Equity Financing; the gross amount received by Amarin (and released from any applicable escrow) less customary expenses properly incurred or reasonably expected to be incurred by Amarin in connection with the conclusion of such transaction (including bankers’, brokers, legal and accounting fees, printing fees, stamp duty, stamp duty reserve tax, ADR issuance fees and NASDAQ fees related to the issuance of ADRs, the registration of shares and/or the listing of ADRs, and fees of the U.S. Securities and Exchange Commission related to the registration of shares and/or ADRs, but for the avoidance of doubt not including interest, repayment of principal, dividends or redemption of capital).

“**Ordinary Shares**” shall mean ordinary shares of £1 (one pound sterling) each in the capital of Amarin.

“**Outstanding Amounts**” shall mean such of the Deferred Payment, Loan and Total Divestiture Amount as may be outstanding at a given time, whether or not immediately due, including the Relevant Payments.

“**Permax Agreement**” shall mean the Amended and Restated Distribution, Marketing and Option Agreement dated 28 September 2001, by and between EP Inc and Amarin, as varied by Deed of Variation dated 27 January 2003.

“**Permax Amendment**” shall mean the Deed of Variation No. 2 relating to the Permax Agreement, the final and definitive form of which is attached hereto.

“**Relevant Payments**” shall mean (a) interest payable under Clauses 2.3 or 2.3A of the Loan Agreement; and (b) quarterly payments towards the Total Divestiture Amount under Section 3.01(c)(ii) of the Permax Agreement.

“**Scherer Agreement**” shall mean that certain License and Supply Agreement dated as of February 25, 1999 by and between R P Scherer Corporation and EPIL, as it may be amended, assigned, novated, restated or otherwise replaced from time to time.

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“**Swedish Sale**” shall mean the sale to an independent third party of (a) all or substantially all the shares in Amarin’s Affiliate Amarin Development AB, Malmö, Sweden (“**Amarin AB**”) or (b) all or substantially all of the assets of Amarin AB.

“**Total Divestiture Amount**” shall have the same meaning as in the Permax Agreement, as amended by the Permax Amendment.

“**Zelapar Agreement**” shall mean the Option Agreement dated 28 June 2001, between EPIL and Amarin, as varied by Deed of Variation dated 27 January 2003.

“**Zelapar Amendment**” shall mean the Amended and Restated Option Agreement (Zelapar), between EPIL and Amarin, the final and definitive form of which is attached hereto.

“\$” and “US\$” shall mean United States dollars.

1.2. Interpretation:

In this Agreement:

- 1.2.1 the singular includes the plural and vice versa; references to words in one gender include references to the other genders; and references to natural persons includes corporate bodies, partnerships and vice versa;
- 1.2.2 any reference to a Clause or Schedule, unless otherwise specifically provided, is to a Clause or Schedule of or to this Agreement;
- 1.2.3 the headings in this Agreement are inserted for convenience only and do not affect its construction or interpretation;
- 1.2.4 the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

2. **NO EXISTING BREACHES KNOWN**

- 2.1. EPIL and Amarin acknowledge that as of 25 July 2003, Amarin owed to EPIL US\$169,461 (one hundred and sixty nine thousand four hundred and sixty one dollars) under Section 4.4 of the Zelapar Agreement. Amarin will pay to EPIL the said sum of US\$169,461 within three (3) business days after execution of this Agreement.
- 2.2. Elan and Amarin acknowledge to each other that as of the date of this Agreement, they have no actual knowledge of any breach by the other of the Existing Agreements.

3. **CHARGE; AUGUST 2003 AMENDMENTS**

Immediately after execution of this Agreement, the respective parties to each of the Charge and the August 2003 Amendments shall execute and deliver each of them to the other parties thereto.

4. **LIMITED WAIVER (PERMAX)**

For the purposes of the Permax Agreement, EP Inc agrees that Amarin shall not, as a result of Further Equity Financing, be obliged to apply any part of the proceeds of such Further Equity Financing received on or before 31 December 2003 in the manner set out in Section 3.01(d) of the Permax Agreement, but shall instead apply such proceeds in the manner set out in this Agreement.

5. **MORATORIUM**

- 5.1. Subject to Amarin paying to EPIL the sum referred to in Clause 2.1, Relevant Payments which would, but for this Clause, fall due under the Loan Agreement and the Permax Agreement prior to 31 December 2003 shall instead become due and payable on the earliest of:
  - 5.1.1 the Demandable Date;
  - 5.1.2 if Amarin breaches any Elan Agreement and does not remedy it within thirty (30) days of written notice of such breach from Elan specifying in reasonable detail the nature of the breach and requesting the same to be remedied, the expiry of such thirty (30) day period; and
  - 5.1.3 the occurrence of an Insolvency Event.
- 5.2. Clause 5.1 shall also apply to the quarterly payment of US\$2,500,000 (two million five hundred thousand dollars) due under Section 3.01(c)(ii) of the Permax Agreement on 4 June 2003, in respect of which Elan previously agreed a delay in payment:
- 5.3. For the avoidance of doubt, this Clause 5 does not apply to:
  - 5.3.1 any amounts which are payable under this Agreement, including payments to be made pursuant to this Agreement under the Loan Agreement and the Permax Agreement; or
  - 5.3.2 Amarin’s obligations under the Zelapar Agreement, as amended by the Zelapar Amendment.

6. **ASSET SALES**

- 6.1. Subject to the fiduciary obligations of the Board of Directors, Amarin shall use all its commercial best efforts to effect for upfront cash consideration the Legacy Sale and the Swedish Sale, in each case for a reasonable sum, as expeditiously as is reasonably practicable after the date of this Agreement.
- 6.2. Amarin shall notify Elan as soon as is reasonably practicable following the Legacy Sale and the Swedish Sale of the fact of, gross proceeds and Net Proceeds of the Legacy Sale and the Swedish Sale.

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- 6.3. Not later than the last day of each calendar month, commencing February 2003, Amarin shall provide to Elan:
- 6.3.1 a summary update of the status of the Legacy Sale and the Swedish Sale; and
- 6.3.2 certification from a company officer (a) stating that the requirements of this Clause 6 have been complied with and (b) outlining in reasonable detail the steps taken by Amarin during that month to effect the Legacy Sale and the Swedish Sale.

The obligation to provide updates and/or certification shall cease following the discharge in full of the Outstanding Amounts, or (if sooner) the completion of the Legacy Sale and the Swedish Sale and the application of the Net Proceeds of the same in accordance with this Agreement.

## 7. USE OF PROCEEDS OF ASSET SALES ETC.

Subject to Clause 8 below, Amarin shall apply not less than 90% (ninety percent) of the Net Proceeds of (i) the Legacy Sale (ii) the Swedish Sale and (iii) any Further Equity Financing to the extent that such proceeds of Further Equity Financing are received on or before 31 December 2003, as follows:

- 7.1. First, in paying to EPIL the non-refundable sum of US\$5,000,000 (five million dollars);
- 7.2. Next, in paying to EP Inc the balance of the Total Divestiture Amount then outstanding, in partial or total discharge of that part of the Total Divestiture Amount then undischarged;
- 7.3. Next, in prepaying to EP Inc the Deferred Payment, in partial or total discharge of that part of the Deferred Payment of US\$6,500,000 (six and a half million dollars) then undischarged;
- 7.4. Next, in prepaying to EPIL the Loan which is outstanding;
- 7.5. Next, in discharging any amounts then due to Elan Corp and/or any of its Affiliates, howsoever arising;
- 7.6. Finally, for such other purposes as Amarin in its absolute discretion may think fit.

## 8. CONDITIONAL RELEASE

Notwithstanding Clauses 5 and 7, Amarin shall:

- (a) be irrevocably and unconditionally released from any further liability in respect of the Outstanding Amounts, and
- (b) be deemed to have exercised the Option as defined in the Zelapar Amendment (“**Zelapar Option**”) –

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if and only if:

- 8.1. Elan receives prior to 31 December 2003 of a cumulative total of US\$30,000,000 (thirty million dollars) from Amarin in immediately available funds, whether in one or a number of instalments and whether pursuant to Clause 7 or otherwise expressed to be in discharge of the Outstanding Amounts;
- 8.2. Amarin discharges in full of all amounts owed to Elan Corp and/or any of its Affiliates, other than any Outstanding Amounts;
- 8.3. Amarin is not in breach of any Elan Agreement;
- 8.4. Amarin:
- 8.4.1 is able to pay its debts as they fall due;
- 8.4.2 has not commenced negotiations with any one or more of its creditors (other than Elan and/or its Affiliates) with a view to the general readjustment or rescheduling of its indebtedness or made a general assignment for the benefit of or composition with its creditors;
- 8.4.3 has not taken any corporate action or other steps are taken or legal proceedings are started for its winding up (which were not dismissed or struck out within seven days of presentation), or for its dissolution, administration or re-organisation (other than in connection with a bona fide solvent restructuring) or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or of all or a substantial part of its revenues and assets; and
- 8.4.4 has not had any execution or distress levied against, or an encumbrancer taken possession of, the whole or any substantial part of, the property, undertakings or assets of Amarin or any event occurs which under the laws of any jurisdiction has a similar or analogous effect –

nor will it become unable to pay its debts as they fall due or any such event occur by reason of the exercise of the Zelapar Option;

8.5. Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement; and

8.6. Amarin provides to Elan certification from a company officer stating that all the requirements of this Clause 8 have been complied with –

For the avoidance of doubt, Amarin shall not be entitled to such release unless and until all the foregoing conditions are met, and in the case of Clause 8.1, met prior to the date specified therein.

For the further avoidance of doubt, except in the case of fraud or the certification in relation to Clause 8.4 proving false, Elan's entitlement to damages in relation to the certification in Clause 8.6 shall not include any right to Outstanding Amounts discharged or released under this Clause 8 and the exercise of the Zelapar Option shall not be invalidated. In the event of

fraud or the certification in relation to Clause 8.4 proving false, the exercise of the Zelapar Option shall be invalidated in addition to any other remedy Elan may have.

## **9. USE OF SUBSEQUENT PROCEEDS**

9.1. If, following discharge of the Outstanding Amounts pursuant to Clause 8 above but on or prior to 30 June 2004, Amarin receives further Net Proceeds of (i) the Legacy Sale (ii) the Swedish Sale and (iii) any Further Equity Financing, then to the extent that all Net Proceeds of the same, including those derived before discharge of the Outstanding Amounts, exceed US\$40,000,000 (forty million dollars), Amarin shall pay half of such excess to EPIL, rounded up to the next million dollars and subject to a maximum payment to EPIL of US\$10,000,000 (ten million dollars).

9.2. Amounts paid to EPIL under Clause 9.1 shall be applied in accordance with Section 7.3.2 of the Zelapar Amendment.

9.3. The obligation in Clause 9.1 shall not apply to Net Proceeds received at any time after the termination of the Scherer Agreement by EPIL or Amarin. For the avoidance of doubt, the Scherer Agreement shall not be considered terminated by reason of any assignment, novation, amendment, restatement, new agreement or other arrangement of any kind whereby Amarin (or any Affiliate or assignee) retains material rights, actual or contingent, to the product known as Zelapar.

## **10. GENERAL PROVISIONS RELATING TO PAYMENTS**

### **10.1. Time for Payment:**

Payments required under Clauses 7 and 9.1 shall be made within 3 (three) business days of the closing of the Legacy Sale, Swedish Sale or Further Equity Financing, as the case may be.

### **10.2. Right to Amend:**

Without prejudice to Clause 8:

10.2.1 Elan shall be entitled, in its sole discretion, to amend the order in which the Net Proceeds of the Legacy Sale and/or the Swedish Sale and/or Further Equity Financing (as the case may be) shall be applied, as between the uses specified in Clauses 7.1 to 7.5 inclusive.

10.2.2 Such amendment will become effective upon receipt by Amarin of a written notice by Elan at any time or times but for the avoidance of doubt any such notice shall not have retrospective effect in respect of any payments previously made by Amarin to either of EPIL or EP Inc. in accordance with Clause 7.

### **10.3. Effect on Permax Agreement:**

Any payment made by Amarin to EP Inc under Clause 7.2 shall be credited first against the last payments in time under Section 3.01(c) of the Permax Agreement with the intention and effect that the Net Proceeds shall be used to accelerate the payments due to EP Inc.

### **10.4. Effect on Loan Agreement:**

Any payment made by Amarin to EPIL under Clause 7.4 shall be treated as prepayments under the Loan Agreement, that is to say against the earliest payments in time due first. Solely for this purpose, EPIL waives the minimum prepayment amount.

### **10.5. No Conflict With Other Elan Agreements:**

In the event of any conflict between this Agreement and any of the Elan Agreements the provisions of this Agreement shall prevail.

### **10.6. No Refund:**

Payments made to Elan under Clauses 7 and 9 shall be non-refundable and shall not be subject to any future performance obligations of Elan to Amarin or applicable against any future services provided from Elan to Amarin.

## 11. OPTION TO CONVERT DEBT INTO ORDINARY SHARES

### 11.1. The Conversion Option:

If the Outstanding Amounts have not been discharged before 1 January 2004, either pursuant to Clause 8 of this Agreement or otherwise, Elan in its sole discretion, subject to Clause 11.2, shall have the option at any time thereafter to receive payment of the whole or any part of the Outstanding Amounts in Ordinary Shares (the "**Conversion Option**").

### 11.2. Necessary Approvals:

11.2.1 Clause 11.1 shall not be effective unless and until Amarin receives all shareholder, regulatory and governmental consents and approvals to honour it without material conditions which are in Elan's reasonable opinion necessary, including authority to issue and allot the Ordinary Shares, to disapply pre-emption rights in respect of them, other shareholder approval and/or the approval of the Panel of Takeovers and Mergers, London.

11.2.2 Amarin shall use its best commercial efforts to secure all such consents and approvals and to maintain them in force at all material times.

11.2.3 Without prejudice to the generality of the foregoing, Amarin shall seek requisite approvals from its shareholders in the course of each general meeting convened after the date of this Agreement.

### 11.3. Mode of Exercise:

The Conversion Option shall be exercised by written notice to Amarin, specifying the amount of payment to be received in Ordinary Shares, and shall relate to such part or parts of the Outstanding Amounts as Elan may nominate in the Conversion Option notice. Notice from EPIL or EP Inc may validly be given by the other, and/or by Elan Corp.

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### 11.4. Multiple Exercise:

Elan may exercise the Conversion Option on any number of occasions while any part of the Outstanding Amounts remains undischarged **PROVIDED THAT** the minimum amount of any one exercise shall be the lesser of US\$1,000,000 (one million dollars) and the balance of the Outstanding Amounts. Exercises by different Affiliates of Elan Corp within a period of three (3) business days shall count for this purpose as a single exercise.

### 11.5. Issue of Ordinary Shares:

Amarin shall issue and allot the respective Ordinary Shares as soon as reasonably practicable and in any event within five (5) business days of the Conversion Option notice.

Issue and allotment shall be to the respective creditor(s), or such person (including EIS or any other affiliate of EP Inc) as may be designated in the Conversion Option notice (either, the "**Recipient**").

### 11.6. Price:

The price at which Ordinary Shares shall be issued and allotted to Elan shall be the average closing mid-market price of Ordinary Shares (or equivalent number of American Depositary Receipts representing them) on NASDAQ on the five business days immediately prior to the date of the Conversion Option notice.

Elan shall not receive fractional shares, any fraction being paid in cash.

### 11.7. Revocation:

Elan shall not be entitled to revoke any exercise of the Conversion Option, unless (a) Amarin consents, or (b) the Ordinary Shares are not issued and allotted within five (5) business days of exercise of the Option.

### 11.8. Assignment:

The Recipient's right to receive Ordinary Shares, together with all ancillary rights shall be freely assignable without Amarin's consent. For the avoidance of doubt, ancillary rights include registration rights, any right to revoke exercise of the Conversion Option, the right to cash payment in the event of such revocation and the right to demand immediate payment of the same (to the extent that Elan had such right).

### 11.9. Registration Rights:

In the event that Elan exercises the Conversion Option, the Recipient shall be entitled to registration rights in respect of the Ordinary Shares issued and allotted which are no less favourable in any respect to the Recipient than those afforded in respect of the "Registrable Securities" of EIS and Monksland pursuant to that certain Registration Rights Agreement dated as of 21 October 1998 and amended by that certain Amendment No. 1 and Waiver dated 27 January 2003 between Amarin, EIS and Monksland **PROVIDED THAT** the Recipient shall not be entitled to have the Ordinary Shares included in the registration statement described in Article 5 of the said Amendment No. 1 and Waiver.

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### 11.10. Expenses:

All fees and expenses, including stamp duty, stamp duty reserve tax, depositary's fees and NASDAQ fees, incurred in connection with this Clause 11 or its performance, shall be payable by Amarin.

11.11. No Conflict:

11.11.1 Nothing in this Clause 11 shall affect any right Elan may have to demand immediate payment of any amount.

11.11.2 Elan's rights in this Clause 11 are additional to and not in substitution for those set out in the Carnrick Agreement and the Carnrick Amendment.

12. INVESTOR RELATIONS PROGRAM

Insofar as it is lawfully able to do so, Amarin shall:

12.1. forthwith after the date of this Agreement, proactively initiate and thereafter diligently pursue an investor relations programme to endeavour to raise the profile of its ADRs; and

12.2. as from the first quarter of 2004, at Elan's option, actively support a sale or placement of Elan's equity, including through roadshow and/or registration statement as may reasonably be required.

13. REPRESENTATIONS, WARRANTIES AND COVENANTS

13.1. Amarin represents and warrants to Elan that:

13.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Agreement, the Charge, the August 2003 Amendments and any ancillary documents pertaining thereto (together "**Transaction Documents**"), and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

13.1.2 there are no agreements between Amarin and any third party that conflict with the Transaction Documents;

13.1.3 except for the shareholder, regulatory and governmental consents for the purposes of the issuance, allotment and registration of shares under each of this Agreement, the Zelapar Amendment and the Carnrick Amendment, it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

13.1.3.1 approval of its shareholders; or

13.1.3.2 approval of NASDAQ;

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13.1.4 as of the date hereof, neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness (as defined in the Loan Agreement);

13.1.5 Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement; and

13.1.6 Amarin is the legal and beneficial owner of the Shares, as defined in the Charge.

13.2. Elan represents and warrants to Amarin that:

13.2.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under the Transaction Documents, and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

13.2.2 there are no agreements between Elan and any third party that conflict with the Transaction Documents;

13.2.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

13.2.3.1 approval of its shareholders; or

13.2.3.2 approval of the New York Stock Exchange.

13.3. Amarin covenants with Elan that it shall:

13.3.1 until 30 April 2005, maintain its outstanding quantifiable liabilities under the Lilly Agreement (as may be amended from time to time) at no more than US\$3,000,000 (three million dollars);

13.3.2 promptly inform Elan if Amarin becomes aware of any action, event or circumstances which may cause Elan to have liability under the Lilly Guaranty; and

13.3.3 indemnify and hold harmless Elan against all and any liabilities to Lilly arising under the Lilly Guaranty.

#### 14. MISCELLANEOUS

##### 14.1. Confidentiality:

Except as provided in or anticipated by this Agreement, each party shall at all times during the continuance of this Agreement use its respective best endeavours to keep the contents of this Agreement and the Amendments confidential and accordingly shall not disclose details of the contents of this Agreement or the August 2003 Amendments to any other person other than on a confidential basis.

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##### 14.2. Announcements:

Subject to Clause 14.3, no announcement or public statement concerning the existence, subject matter or any term of this Agreement shall be made by or on behalf of any party hereto without the prior written approval of the other party (Elan Corp in the case of Elan).

The terms of any such announcement shall be agreed in good faith by the parties.

##### 14.3. Required Disclosures:

A party (the “**Disclosing Party**”) will be entitled to make an announcement or public statement concerning the existence, subject matter or any term of this Agreement, or to disclose Confidential Information that the Disclosing Party is required to make or disclose pursuant to:

14.3.1 a valid order of a court or Governmental Authority; or

14.3.2 any other requirement of law, regulation or any securities market or stock exchange;

**PROVIDED THAT** if the Disclosing Party becomes legally required to make such announcement, public statement or disclosure hereunder, the Disclosing Party shall give the other party or parties hereto prompt notice of such fact to enable the other party or parties hereto to seek a protective order or other appropriate remedy concerning any such announcement, public statement or disclosure.

The Disclosing Party shall fully co-operate with the other party or parties hereto in connection with that other party’s or parties’ efforts to obtain any such order or other remedy.

If any such order or other remedy does not fully preclude announcement, public statement or disclosure, the Disclosing Party shall make such announcement, public statement or disclosure only to the extent that the same is legally required.

##### 14.4. Tax Shelter Regulations Exclusion:

Notwithstanding the foregoing and/or any other express or implied agreement or understanding to the contrary, the parties hereto and their respective employees, representatives, and other agents are authorized to disclose the tax treatment and structure (insofar as it may be relevant to the tax treatment) of this transaction to any and all persons, without limitation of any kind. The parties may disclose all materials of any kind (including opinions or other tax analysis) to the extent (but only to the extent) that they relate to the tax treatment and structure (insofar as it may be relevant to the tax treatment) of the transaction. This authorization is not intended to permit disclosure of any other information including (i) any portion of any materials to the extent not related to the tax treatment or structure (insofar as it may be relevant to the tax treatment) of the transaction, (ii) the identities of participants or potential participants in the transaction, (iii) the existence or status of any negotiations, (iv) any pricing information, (v) any financial information or historic tax return information relating to any party to the transaction or (vi) any other term or detail not related to the tax treatment or structure (insofar as it may be relevant to the tax treatment) of the transaction.

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##### 14.5. Assignment:

14.5.1 Without prejudice to Clause 11.8, Elan may assign this Agreement in whole or in part to any lawful assignee of the Existing Agreements, as amended by the August 2003 Amendments.

14.5.2 Amarin shall not assign this Agreement without the prior written consent of Elan.

##### 14.6. Change of Control:

14.6.1 Amarin shall notify Elan immediately upon a Change of Control.

14.6.2 In the event of a Change of Control, Amarin’s right under Clause 8 shall survive for a period of five (5) business days, notwithstanding that by virtue of the Change of Control, Elan may have demanded immediate payment of some or all of the Outstanding Amounts.

##### 14.7. Parties bound:

This Agreement shall be binding upon and enure for the benefit of parties hereto, their successors and permitted assigns.

##### 14.8. Severability:



If any provision in this Agreement is deemed to be, or becomes invalid, illegal, void or unenforceable under applicable laws:-

14.8.1 such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable; or

14.8.2 if it cannot be so amended without materially altering the intention of the parties, it will be deleted the validity, legality and enforceability of the remaining provisions of this Agreement shall not be impaired or affected in any way.

14.9. Relationship of the parties:

14.9.1 Nothing contained in this Agreement is intended or is to be construed to constitute any of the parties hereto as partners or members of a joint venture or any party as an employee of another party.

14.9.2 No party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other party or to bind another party to any contract, agreement or undertaking with any third party.

14.10. Amendments:

No amendment, modification or addition hereto shall be effective or binding on any party hereto unless set forth in writing and executed by a duly authorised representative of all parties hereto.

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14.11. Waiver:

No waiver of any right under this Agreement shall be deemed effective unless contained in a written document signed by the party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this Agreement.

14.12. Entire agreement:

14.12.1 Each of the parties hereto hereby acknowledges that in entering into this Agreement it has not relied on any representation or warranty except as expressly set forth herein or in any document referred to herein.

14.12.2 This Agreement, the Charge, and the August 2003 Amendments together set forth all of the agreements and understandings between the parties with respect to the subject matter hereof, and supersedes and terminates all prior agreements and understandings between the parties with respect to the subject matter hereof, including the Master Agreement, but without prejudice to any accrued rights or obligations under the Master Agreement. There are no agreements or understandings with respect to the subject matter hereof, either oral or written, between the Parties other than as set forth in this Agreement.

14.12.3 Nothing in this Clause 14.12 shall exclude any liability which any party would otherwise have to the other party or any right which either of them may have to rescind this Agreement in respect of any statements made fraudulently by the other prior to the execution of this Agreement or any rights which either of them may have in respect of fraudulent concealment by the other.

14.13. Governing law and jurisdiction:

14.13.1 This Agreement shall be governed by and construed in accordance with English law.

14.13.2 For the purposes of this Agreement the parties submit to the jurisdiction of the English courts.

14.14. Notice:

14.14.1 Any notice to be given under this Agreement shall be sent in writing in English by registered or recorded delivery post, reputable overnight courier or fax to:

Elan at

Elan International Services Ltd.

102 St. James Court

Flatts,

Smiths FL04

Bermuda

Attention: Secretary

Fax: +1 441 292 2224

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Amarin at

7 Curzon Street

London

W1J 5HG

England

Attention: General Counsel & Company Secretary  
Fax: +44 20 7499 9004

or to such other address(es) and fax numbers as may from time to time be notified by either party to the other hereunder.

14.14.2 Any notice sent by mail shall be deemed to have been delivered within 7 working days after despatch or delivery to the relevant courier and any notice sent by fax shall be deemed to have been delivered upon confirmation of receipt. Notice of change of address shall be effective upon receipt.

14.15. Further assurances:

At the request of any of the parties, the other party or parties shall (and shall use reasonable efforts to procure that any other necessary third parties shall) execute all such documents, and so all such acts and things as may reasonably be required subsequent to the signing of this Agreement for assuring to or vesting in the requesting party the full benefit of the terms hereof.

Additionally, to the extent that the consent of RP Scherer Corporation may be needed to the Zelapar Amendment, and/or to effect the transaction(s) thereby contemplated, the parties shall reasonably cooperate with each other with a view to securing such consent and further (at Elan's option) Amarin shall use its best efforts to secure such consent.

14.16. Counterparts:

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

14.17. Contracts (Rights of Third Parties) Act 1999:

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof the parties have executed this Agreement on the date first above written.

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*[Signature Page: Amended and Restated Master Agreement]*

**SIGNED**

**SIGNED**

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For and on behalf of  
**ELAN CORPORATION, PLC.**

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For and on behalf of  
**ELAN PHARMA INTERNATIONAL  
LIMITED**

**SIGNED**

**SIGNED**

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For and on behalf of  
**ELAN INTERNATIONAL SERVICES, LTD.**

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For and on behalf of  
**ELAN PHARMACEUTICALS, INC.**

**SIGNED**

**SIGNED**

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For and on behalf of  
**MONKSLAND HOLDINGS BV**

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For and on behalf of  
**AMARIN CORPORATION PLC.**

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Date: 4<sup>th</sup> August 2003

AMARIN CORPORATION PLC.

AND

ELAN PHARMA INTERNATIONAL LIMITED

AMENDED AND RESTATED OPTION AGREEMENT  
(ZELAPAR™)INDEX

- 1. Rights Subject to Option; Information Provided to Amarin
- 2. Evaluation by Amarin
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- 10. Miscellaneous.
- EXHIBIT A PATENT RIGHTS

CONFIDENTIAL

THIS AMENDED AND RESTATED AGREEMENT is made the 4<sup>th</sup> August 2003**BETWEEN:**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England (“**Amarin**”); and
- (2) **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland (“**Elan**”),

each for themselves and their respective affiliates

**RECITALS:**

- (A) Elan is the owner or exclusive licensee of certain Rights (as defined below) relating to a Zydis® formulation of selegeline hydrochloride (the “**Product**”) presently known as Zelapar™, which may have utility in the treatment of Parkinson’s disease and other diseases or conditions.
- (B) By an Option Agreement dated 18 June 2001, as amended by Deed of Variation dated 27 January 2003, Amarin acquired an exclusive option for a transfer and assignment of such Rights in the Territory in the Field, each as defined below.
- (C) Elan and Amarin wish to vary the terms of the said option, on the terms and conditions set out in this Agreement. On the date of entering into this Agreement, the parties and certain affiliates of Elan have entered into an Amended and Restated Master Agreement (the “**Master Agreement**”).
- (D) Elan and Amarin, should Amarin exercise its Option (as defined below), wish to enter into an Assignment Agreement for the Rights in the Territory in the Field; and in the meantime, have established a steering committee for the management of the completion of development of Zelapar in the Territory.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth below, the parties hereby agree as follows:

**1. Rights Subject to Option; Information Provided to Amarin**

**1.1. Definitions and Interpretation.** In this Agreement:

1.1.1 “**this Agreement**” shall mean this Amended and Restated Option Agreement, including its recitals, schedules and exhibits.

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1.1.2 “**Original Agreement**” shall mean the Option Agreement dated 18 June 2001 between Amarin and Elan, as amended by Deed of Variation dated 27 January 2003.

1.1.3 “**Demandable Date**” has the same meaning as in the Master Agreement.

1.1.4 “**Elan Agreement(s)**” has the same meaning as in the Master Agreement.

1.1.5 the singular includes the plural and vice versa; references to words in one gender include references to the other genders; and references to natural persons includes corporate bodies, partnerships and vice versa;

1.1.6 any reference to a Clause, Section or Schedule, unless otherwise specifically provided, is to a Clause, Section or Schedule of or to this Agreement;

1.1.7 the headings in this Agreement are inserted for convenience only and do not affect its construction or interpretation;

1.1.8 the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

1.2. Rights Defined. For the purposes of this Agreement, “**Rights**” shall mean all of Elan’s right, title and interest in any data, information, or know-how pertaining to, and any license or other rights in, the Product in the Territory, now owned or controlled or hereafter acquired by Elan. By way of illustration, the foregoing Rights shall include but not be limited to (i) all of Elan’s rights under the License and Supply Agreement between Elan or its affiliates and RP Scherer and Company, as amended (the “**Scherer Agreement**”), as it pertains to the Territory, and (ii) all clinical, preclinical and other data, protocols, inventory, work in progress, regulatory rights or applications of any kind (such as a New Drug Application (“**NDA**”) for the Product), contract rights, market research, patent rights, patent applications, trademark rights, trademark applications, and any know-how associated with the Product for use in the Territory.

1.3. Information. Elan shall continue to provide Amarin with continuing access to and, as appropriate, copies or samples of materials it has within its possession or control which are the subject of the Rights, together with all additional information, data, patent or trademark disclosures and know-how relating thereto now known to or hereafter developed or obtained by Elan during the Option Period (as defined below) (the “**Information**”), all on the terms and subject to the conditions of this Agreement.

**2. Evaluation by Amarin**

2.1. Right to Evaluate. During the Option Period, Amarin shall have the continuing right to review the Information as Amarin determines is necessary to evaluate its interest in exercising the Option. During the Option Period, Amarin shall use the Information

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solely for that purpose. Elan shall make the Information available at its expense at 800 Gateway Blvd, South San Francisco, California 94080.

2.2. Return of Information if Option not Exercised. If this Option is terminated or expires unexercised, Amarin shall return to Elan, within thirty (30) days following the termination of the Option Period, all Information of Elan and all copies thereof (or Amarin’s written confirmation that it has destroyed all such copies), except for one complete set of Information which Amarin may retain and use solely for compliance purposes under the confidentiality requirements of this Agreement.

**3. Option to License**

**3.1. Grant of Option.**

(a) Elan hereby grants to Amarin the following exclusive option (the “**Option**”), during the Option Period, to obtain an exclusive transfer and assignment of the Rights, on the terms stated below, to use, promote, distribute and sell the Product in the Territory, for use in the field of human therapeutic treatment of any disease, condition or disorder (the “**Field**”). It is understood and agreed that Elan retains all rights in the Product outside the Territory which it now or hereafter may own or control. For the purposes of this Agreement, the Territory shall mean the United States.

(b) This Option is exercisable by written notice to Elan received at any time during the Option Period. If Amarin timely and properly exercises the Option, the parties promptly shall negotiate in good faith and execute a mutually acceptable definitive assignment agreement (the “**Assignment Agreement**”) which shall incorporate the terms and conditions set forth in this Agreement and shall include other terms and conditions which are reasonable and customary in transactions of this nature.

(c) If the parties are unable to agree upon the form of the Assignment Agreement within thirty days of the date of the exercise of the Option, the parties shall submit any outstanding issues to senior management of each party, who shall negotiate in good faith a resolution. If thirty

days after such submission to senior management issues remain unresolved, either party may submit its proposed Assignment Agreement to an arbitrator in the San Francisco, California area, selected under the then-current Commercial Rules of the American Arbitration Association, who will select one of the two proposed agreements, in its entirety. The arbitrator's decision will be final, binding and enforceable in a court of competent jurisdiction in San Francisco, California, which shall have exclusive jurisdiction over the matter.

- (d) Among other things, the Assignment Agreement shall provide that Amarin shall assume and perform Elan's obligations under the Scherer Agreement as of the

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date of the transfer and assignment of the Rights; that in the event of a conflict between the Scherer Agreement and the Assignment Agreement, the Scherer Agreement shall control; and that the parties shall cooperate reasonably to enable the other to fulfill their respective remaining obligations under the Scherer Agreement in and outside the Territory.

- 3.2. Option Period. The "**Option Period**" shall mean the period commencing on the date of this Agreement and ending on the sooner of (a) the date on which Elan or any of its Affiliates which are a party to the Master Agreement have received a total between them of US\$30,000,000 (thirty million dollars) pursuant to Clauses [7 and 8] of the Master Agreement or otherwise expressed to be in discharge of the Outstanding Amounts (as defined in the Master Agreement) and (b) 31 December 2003.
- 3.3. Option Fees. In consideration for the Option granted to Amarin, Amarin has paid to Elan a non-refundable, non-creditable option fee of One Hundred Thousand Dollars (\$100,000). The option fee, together with the payments to Elan under the Master Agreement, shall be full consideration for the grant of the Option.
- 3.4. Conditions for, and Deemed Exercise of, the Option. Amarin shall be deemed to have exercised the Option (if available at the time in question) upon providing the certification referred to in Clause [8.6] of the Master Agreement; and no other exercise of the Option shall be permitted unless such certification is made within the Option Period. Amarin shall provide to Elan like certification upon execution of the Assignment Agreement.
- 3.5. Pursuit of New Drug Application. During the Option Period, Elan shall subject to Section 4.4 be responsible for and shall use Commercially Reasonable Efforts to diligently pursue the preparation, submission, acceptance for filing and substantive review, and approval of an NDA for the Product with the FDA; shall continue the prosecution and maintenance of all its patents, patent applications, trademarks and trademark applications included in the Rights; and shall consult with and consider the reasonable requests of Amarin in connection with the above. "**Commercially Reasonable Efforts**" of a Party shall mean efforts consistent with the exercise of its prudent business judgment as applied to other clinical, regulatory and commercialization efforts for products of similar performance and potential as would be undertaken in the pharmaceutical industry, but not less than those efforts applied by that Party to other similar products of its own product line.

#### 4. Steering Committee

- 4.1. Formation of Steering Committee. The parties have formed a Zelapar Steering Committee consisting of an equal number of Elan and Amarin members. The chair of the Steering Committee shall rotate between Elan and Amarin at least annually. Elan and Amarin may each designate a proxy or substitute for its members, and may substitute its members.

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- 4.2. Steering Committee Meetings; Project Plan. The Steering Committee will meet no less than quarterly at a site to be mutually agreed, with minutes and next quarter objectives to be distributed by the chair and approved; each party will pay its own expenses in attendance and related activities. A draft of the plan for completion of development and approval of an NDA for the Product (the "**Plan**") has been drafted by Elan for review and approval, not to be unreasonably withheld, by Amarin. The Plan contains milestone events and timelines for review and approval by the Steering Committee. Thereafter, the Plan may be amended only by majority vote of the Steering Committee. Material deviations in executing the Plan must be approved in advance by the Steering Committee. It is understood and agreed that Elan will perform and manage the day-to-day execution and operations of the Plan. Disputes not resolved by the Steering Committee within fourteen (14) days shall be referred to respective company senior management for good faith discussion and resolution.
- 4.3. Project Team. In addition to the Steering Committee, Amarin shall be entitled to attend and participate in and receive all materials provided to Elan's Project Team for Zelapar.
- 4.4. Expenses. The costs and expenses associated with the parties' respective performance of their obligations under this Agreement shall be borne as follows:
- (a) Elan will bear all costs and expenses (internal and external) incurred prior to 31 December 2002 (the "**Amendment Date**") and associated with performing its obligations under this Agreement, including without limitation Section 3.4 above, and the implementation of the Plan prior to the Amendment Date.
- (b) Subject to Section 4.5, Amarin shall be responsible for all reasonable and verifiable Out Of Pocket Costs after the Amendment Date, whether incurred by Elan, Amarin or a third party where such Out Of Pocket Costs have been approved by the Steering Committee and such Out Of Pocket Costs are not attributable to a negligent act or omission or breach of the terms of this Agreement or the Assignment Agreement by, or on behalf of, Elan.
- (c) Each party shall be responsible for its costs and expenses which are not Out Of Pocket Costs in connection with (i) Elan's activities pursuant to Section 3.4 and/or (ii) the implementation of the Plan, incurred on or after the Amendment Date.

For the purposes of this Section 4.4, "**Out Of Pocket Costs**" shall mean all amounts payable to third parties, including without limitation contractors, incurred on or after the Amendment Date in connection with (i) Elan's activities pursuant to Section 3.4 and/or (ii) the implementation

of the Plan.

4.5. Process and Audit.

- (a) Within 15 days of the end of each calendar month following the Amendment Date, Elan and Amarin shall provide to each other a statement

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of their Out Of Pocket Costs incurred in the previous calendar month. Within 15 days thereafter, Amarin shall pay to Elan an amount equivalent to such Out Of Pocket Expenses of Elan.

- (b) For the 90 day period following the close of each calendar year, Amarin and Elan will, in the event that the other party reasonably requests such access, provide each other's independent certified accountants (reasonably acceptable to the other party) with access, during regular business hours and subject to the confidentiality provisions as contained in this Agreement, to such party's books and records relating to Out Of Pocket Costs, solely for the purpose of verifying the accuracy and reasonable composition of the calculations hereunder for the calendar year then ended.
- (c) In the event of a discovery of a discrepancy which exceeds five per cent (5%) of the amount due or charged by a party for any period, the cost of such audit shall be borne by the audited party; otherwise, such cost shall be borne by the auditing party.

5. Confidentiality.

5.1. Confidential Information. Except as otherwise provided in this Section 5, during the Option Period, each party shall maintain in confidence all information of the other party (including any Product samples) disclosed by the other party under the Agreement (the "**Confidential Information**"), and shall not use, disclose or grant the use of the Confidential Information of the other party, except to its and its affiliates' directors, officers, employees, permitted assignees, agents, consultants, clinical investigators and contractors, to the extent such disclosure is reasonably necessary in connection with such party's activities as expressly authorized by the Agreement. To the extent that disclosure is authorized by the Agreement, prior to disclosure, each party hereto shall obtain agreement of any such person or entity to hold in confidence and not make use of the Confidential Information for any purpose other than those permitted by the Agreement. Each party shall notify the other promptly of any unauthorized use or disclosure of the other party's Confidential Information.

5.2. Permitted Disclosures. The confidentiality obligations contained in Section 5.1 above shall not apply to the extent that (a) the receiving party (the "**Recipient**") is required to disclose Confidential Information by law, order or regulation of a governmental agency or a court of competent jurisdiction, provided that the Recipient shall provide to the disclosing party written notice and sufficient opportunity to object to such disclosure or to request confidential treatment thereof; or (b) the Recipient can demonstrate that (i) the Confidential Information was public knowledge at the time of such disclosure by the Recipient, or thereafter became public knowledge, other than as a result of actions of the Recipient, its affiliates and licensees in violation hereof; (ii) the Confidential Information was rightfully known to or independently developed by the Recipient, its affiliates or licensees (as shown by its written records) prior to the date of disclosure to the Recipient

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by the other party hereunder; or (iii) the Confidential Information was received by the Recipient, its affiliates or licensees on an unrestricted basis from a source unrelated to any party to the Agreement and not under a duty of confidentiality to the other party.

5.3. Terms of the Agreement and Use of Name. Except as otherwise provided in Sections 2.2 and 5.2 above, Elan and Amarin shall not disclose any terms or conditions of the Agreement to any third party without the prior consent of the other party, not to be unreasonably withheld.

6. Representations, Warranties and Covenants

6.1. Elan. Elan represents and warrants that it has the full right and authority, and has taken all necessary corporate action, to provide access to the Information, grant Amarin the exclusive Option and, if exercised, enter into the Assignment Agreement as set forth in this Agreement. Elan warrants that Elan's entering into and performing this Agreement will not conflict with or create a default under any agreement or obligation binding on Elan or any of the assets or property which are the subject of this Agreement. Elan further warrants that:

- (a) it is the sole owner or exclusive licensee of the Rights (with full right to grant the option and transfer and assign under any license agreement), without the necessity of obtaining any consents of third parties other than Scherer, and that such right, title and interest is unencumbered by any lien, charge, claim or encumbrance of any kind; and
- (b) it is the sole owner or exclusive licensee (with the full right to sublicense under any license agreement, without the necessity of obtaining any consents except Scherer) of the patent(s) or patent applications in the Territory which claim fast-dissolving drug delivery systems which Scherer owns or under which Scherer is licensed with the right to sublicense (the "**Patent Rights**"); Exhibit A contains a complete and accurate listing of the Patent Rights (plus certain other patent rights outside of the Territory, to which Elan makes no representation or warranty) as of the date of the Scherer Agreement, which Elan has no reason to believe is inaccurate or incomplete; and to Elan's knowledge, the Patent Rights are unencumbered by any lien, charge, claim or encumbrance of any kind.
- (c) from now through the expiration or termination of this Agreement or the exercise of the Option, whichever first occurs, Elan shall not convey, sell, transfer, license, assign or encumber any interest in any of the Rights, including without limitation the Information or Patent Rights, or agree to do any of the foregoing.

6.2. Amarin. Amarin represents and warrants that it has the full right and authority, and has taken all necessary corporate action, to enter into and perform its obligations under this Agreement and, if the Option is exercised, enter into the Assignment Agreement as set forth in this Agreement.

Agreement will not conflict with or create a default under any agreement or obligation binding on Amarin. Following the exercise of the Option, Amarin shall not sell, assign, transfer, convey, license or otherwise substantially dispose of the Rights in and to the Product to a third party (except as provided in Section 10.3 below) without the prior written consent of Elan, not to be unreasonably withheld.

## 7. **Financial Terms; Milestone Payments, Royalty**

### 7.1. Milestone Payment.

7.1.1 Amarin shall pay Elan a one-time milestone payment based upon annual revenues from the sale of the Product in the Territory of Ten Million Dollars (\$10,000,000) payable within sixty (60) days of the end of the first successive twelve months in which Net Sales of the Product in the Territory in that twelve month period exceed twenty million dollars (\$20,000,000).

7.1.2 Subject to Sections 7.1.6 and 7.1.7, the said payment shall be made in ordinary shares of £1 each in the capital of Amarin (“**Ordinary Shares**”) and shall be calculated as follows:

7.1.2.1 in the event that the 30 day trailing average (closing market mid-price) of the Amarin ADR on NASDAQ (the “**Price Average**”) on the 30 trading days preceding the date the milestone is payable is US\$6 or less:

$$\text{No. of Amarin Ordinary Shares} = \frac{\text{US\$10,000,000}}{\text{the Price Average}}$$

7.1.2.2 in the event that the Price Average is in excess of US\$6 then the number of Ordinary Shares to be issued to Elan shall be 1,666,667.

7.1.3 Elan shall be entitled to have such shares, or American Depositary Receipts representing them (“**ADRs**”) registered on NASDAQ or any other recognised securities exchange on which Amarin’s shares or ADRs are traded. For that purpose, Elan and Amarin shall enter into a registration rights agreement in substantially similar form to that certain registration rights agreement dated as of 21 October 1998 between Amarin (*sub nom* Ethical Holdings plc.) and Monksland Holdings B.V., as amended by that certain Amendment No. 1 to Registration Rights Agreement And Waiver between Amarin, Monksland Holdings B.V. and Elan International Services, Ltd. dated 27 January 2003. Amarin shall be responsible for all costs, fees, duties and taxes whatsoever relating to such registration, including depositary’s fees, NASDAQ fees, stamp duty and stamp duty reserve tax.

7.1.4 The right to this payment and associated rights will be freely assignable by Elan, whether or not in association with the assignment of other rights in relation to the Product.

7.1.5 As at the date of this Agreement, each ADR represents one Ordinary Share. The Assignment Agreement will take into account any change in Amarin’s share or ADR structure prior to its execution, and will further contain customary provisions regarding the preservation of value of this payment in the event of stock splits, consolidations, takeovers, mergers, further share issues and other events.

7.1.6 Section 7.1.2 shall not be effective (and Elan shall not receive such payment in Ordinary Shares) unless and until Amarin receives all necessary shareholder, regulatory and governmental consents and approvals to so so without material conditions, including authority to issue and allot the Ordinary Shares, to disapply pre-emption rights in respect of them, other shareholder approval and/or the approval of the Panel of Takeovers and Mergers, London.

Amarin shall use its best commercial efforts to secure all such consents and approvals and to maintain them in force at all material times.

Without prejudice to the generality of the foregoing, Amarin shall seek requisite approvals from its shareholders in the course of each general meeting convened after the date of this Agreement.

If, at the time at which payment is to be made, Amarin does not have all such consents and approvals, Amarin shall instead pay to Elan in immediately available funds:

(a) if the Price Average is US\$6.00 or less, US\$10,000,000 (Ten Million Dollars);

(b) if the Price Average is greater than US\$6.00, the Price Average multiplied by 1,666,667.

7.1.7 In the event that, prior to the said milestone payment falling due, there is a Change of Control in Amarin (meaning mean circumstances where any third party shall, directly or indirectly, acquire fifty percent (50%) or more of the then voting stock of Amarin, or otherwise merge, consolidate or enter into any similar transaction (or binding agreement in respect thereof) with Amarin in a transaction after which Amarin is not the controlling entity):

7.1.7.1 the said milestone payment shall instead be payable in cash, by wire transfer of immediately available funds (but without changing its due date);

7.1.7.2 the amount of such cash payment shall be the greater of (a) US\$10,000,000 (Ten Million Dollars) and (b) the product of (i) 1,666,667 and (ii) the acquisition price of Amarin's ADRs. For this purpose the "acquisition price" shall mean the value per ADR received by their holders generally, including any contingent value actually realised by such holders in due course.

7.2. **Calculation.** "Net Sales" shall mean the aggregate gross sales of the Product by Amarin and its Affiliates (other than sales among Amarin and its Affiliates) determined in accordance with UK generally accepted accounting principles, consistently applied ("GAAP"), less the following as specifically incurred for the Product: cash, trade or quantity discounts; sales, use, tariff, or other excise taxes imposed upon particular sales; transportation charges; and other credits or allowances, including those granted on account of prices, adjustments, wholesaler chargebacks, returns or rebates, if any are incurred or granted. In connection with all amounts based upon Net Sales payable to Elan pursuant to this Agreement, upon Elan's request Amarin shall provide documentation supporting any of the deductions to Net Sales set forth above. Any other sales or transfers among Amarin or Amarin Affiliates shall not be included in the definition of Net Sales. In such cases Net Sales shall be determined based on the invoiced sale price by the Affiliate to the first third party trade purchaser, less the deductions allowed under this definition. Deductions to arrive at Net Sales shall be determined in accordance with GAAP. Elan shall have the right, upon reasonable advance written notice to Amarin and during regular business hours, to inspect the records of Amarin relating to the calculation of Net Sales hereunder. Such inspection shall be conducted by an independent third party auditor chosen by Elan and reasonably acceptable to Amarin. Such inspection shall be at Elan's cost, unless a discrepancy in payment of more than 5% is found, in which case, it shall be at Amarin's cost. The parties shall reconcile any discrepancy found within 30 days of receipt of the report of the auditor. Elan's audit right, as described, shall survive any expiration or termination of this Agreement, such that Elan's right shall survive one (1) year beyond payment by Amarin of the final payment to Elan owed hereunder.

7.3. **Royalty Payments.**

7.3.1 Subject to Clause 7.3.2, for the first eight (8) Launch Years, Amarin shall pay Elan a royalty of twelve and one-half percent (12.5%) of Net Sales during that period, payable no more than forty-five (45) days from the end of each calendar quarter for which a payment is due.

7.3.2 Where Amarin makes one or more payments to Elan under Clause 9 of the Master Agreement, each whole US\$1,000,000 of such payment (or payments in aggregate) shall reduce the royalty payable to Elan by one half of one percent (0.5%) as from the calendar quarter after the payment is made.

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Accordingly, payment of the maximum amount of US\$10,000,000 under Clause 9 of the Master Agreement shall reduce the royalty by 5%, from 12.5% to 7.5%.

7.3.3 Amarin shall not be entitled to reduce the royalty payable in this manner other than by payments required under Clause 9 of the Master Agreement or with the prior written consent of Elan.

7.4. **Payment Terms.** Payments shall not be refundable or subject to any future performance obligations of Elan to Amarin and shall not be applicable against any future services provided by Elan to Amarin.

**8. Termination**

8.1. The Option shall terminate without further notice or action upon the expiration of the Option Period if Amarin fails to timely and properly exercise the Option as provided in this Agreement and during the Option Period.

8.2. The Option shall terminate without further notice or action in the event that Amarin has not paid to Elan and its Affiliates the sum of US\$30,000,000 (thirty million dollars) under Clause 7 of the Master Agreement or otherwise expressed to be in discharge of the Outstanding Amounts (as defined in the Master Agreement), on or before 31 December 2003.

8.3. Amarin may terminate the Option prior to expiration of the Option Period at any time only by notifying Elan in a writing (signed by the CEO or the President of Amarin) of its decision not to exercise the Option and specifically referring to this Agreement.

8.4. Elan may terminate this Agreement and the Option in the event that:

- (a) Amarin breaches any Elan Agreement and does not remedy it within thirty (30) days of written notice of such breach from Elan specifying in reasonable detail the nature of the breach and requesting the same to be remedied, the expiry of such thirty (30) day period ;
- (b) Amarin is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors (other than Elan and/or Elan Affiliates) with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or composition with its creditors;
- (c) Amarin takes any corporate action or other steps are taken or legal proceedings are started for its winding up (which are not dismissed or struck out within seven days of presentation), or for its dissolution, administration or re-organisation (other than in connection with a bona fide solvent restructuring) or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or of all or a substantial part of its revenues and assets; or

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- (d) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any substantial part of, the property, undertakings or assets of Amarin or any event occurs which under the laws of any jurisdiction has a similar or analogous effect.



**9. Default**

Subject to Section 6.2 above, if either party fails to perform or fulfill at the time and in the manner herein provided any material obligation or condition required to be performed by such party (the “**Defaulting Party**”) hereunder, and if such Defaulting Party fails to remedy such default within thirty (30) days after written notice thereof from the non-defaulting party, the non-defaulting party shall have the right to immediately terminate the Agreement and the Option by written notice to the Defaulting Party, in addition to any other rights it may have.

**10. Miscellaneous.**

10.1. Notices. Any consent, notice or report required or permitted to be given or made under the Agreement by one of the parties hereto to the other party shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, U.S. first class mail or courier), U.S. first class mail or courier, postage prepaid (where applicable), addressed to such other party at its address indicated below, or to such other address as either party may notify the other in accordance with this Section, and (unless otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

If to Amarin:

Amarin Corporation, plc  
7 Curzon Street  
London W1Y 7FL, UK  
Attention: CEO  
Facsimile: +44-207-499-9004  
Attn: Chief Executive Officer

with a copy to:

Amarin Corporation, plc  
Two Belvedere Place, Suite 330  
Mill Valley, California 94941  
Attention: Executive Vice President, Legal  
Facsimile: 415-389-4756

If to Elan:

Elan Pharma International Limited  
c/o Elan International Services Ltd  
102 St. James Court, Flatts,  
Smiths FL04, Bermuda  
Attention: Director  
Facsimile: 441-292-2224

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- 10.2. Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law principles thereof.
- 10.3. Assignment. Subject to Elan’s rights of termination in Section 8.4 and Section 9, neither party shall assign its rights or obligations under the Agreement without the prior written consent of the other party hereto; provided, however, that either party may, without such consent, assign the Agreement and its rights and obligations hereunder to an affiliate, or in connection with the transfer or sale of all or substantially all of its assets or business, or in the event of its merger or consolidation or change in control or similar transaction (again subject to Elan’s right in the event of an Amarin Change of Control), and provided further that any permitted assignee assumes in writing all obligations of its assignor under this Agreement.
- 10.4. Waivers and Amendments. No change, modification, extension, termination or waiver of this Agreement shall be valid unless made in writing and signed by duly authorized representatives of the parties.
- 10.5. Entire Agreement. This Agreement, together with the exhibits hereto, embodies the entire understanding between the parties and supersedes any prior understanding and agreements between and among them respecting the subject matter, including the Original Agreement. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of the Agreement which are not fully expressed herein.
- 10.6. Counterparts. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 10.7. Further Assurances. The parties shall take any other actions, including without limitation the execution and delivery of documents, as may be reasonable, necessary or appropriate to carry out the intent of this Agreement.

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[Signature Page: Zelapar Amendment]

SIGNED

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For and on behalf of  
**ELAN PHARMA INTERNATIONAL LIMITED**

**SIGNED**

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For and on behalf of  
**AMARIN CORPORATION PLC.**

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**EXHIBIT A PATENT RIGHTS**

*The remainder of this page is intentionally blank. The following unnumbered pages constitute Exhibit A.*

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Date: 4<sup>th</sup> August 2003

ELAN PHARMACEUTICALS INC.

AND

AMARIN CORPORATION PLC.

DEED OF VARIATION NO. 2  
RELATING TO  
AMENDED AND RESTATED  
DISTRIBUTION, MARKETING AND OPTION AGREEMENT  
DATED 28 SEPTEMBER 2001  
(PERMAX®)

INDEX

1. [DEFINITIONS AND INTERPRETATION](#)
2. [INTRODUCTION](#)
3. [VARIATIONS](#)
4. [CONFIRMATION OF THE AGREEMENT](#)
5. [EXECUTION AND DELIVERY](#)
6. [MISCELLANEOUS](#)

THIS DEED OF VARIATION NO. 2 is made the 4<sup>th</sup> August 2003

**BETWEEN:**

- (1) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("**Elan**"); and
- (2) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("**Amarin**").

**WHEREAS:**

- (A) Elan and Amarin entered into an Amended and Restated Distribution, Marketing and Option Agreement between Elan and Amarin dated 28 September 2001 ("**Original Agreement**").
- (B) Elan and Amarin entered into a Waiver and Amendment dated 8 August 2002. A condition therein not having been fulfilled, such Waiver and Amendment was not effective, as Elan and Amarin hereby acknowledge.
- (C) Elan and Amarin also entered into an assignment and assumption Agreement effective as of 29 March, 2002 as a part of the consummation of Amarin's exercise of its option right for Permax.
- (D) Elan and Amarin further entered into a Deed of Variation dated 27 January 2003. The Original Agreement as amended by that Deed of Variation is referred to herein as the "**Agreement**".
- (E) Elan Corporation, plc., Elan Pharma International Limited, Elan International Services Limited, Elan, Monksland Holdings BV and Amarin have entered into an Amended and Restated Master Agreement of even date herewith (the "**Master Agreement**").
- (F) Pursuant to the Master Agreement, Amarin and Elan have agreed to amend the Agreement by and upon the terms of this Deed.

**NOW THIS DEED WITNESSES AS FOLLOWS:**

1. **DEFINITIONS AND INTERPRETATION**

- 1.1. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.
- 1.2. Reference to articles, sections, clauses and paragraphs herein are to articles, sections, clauses and paragraphs in the Agreement.

2. **INTRODUCTION**

This Deed is supplemental to the Agreement.

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3. **VARIATIONS**

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. by the insertion into Section 1.01 of the following additional definitions:

“**Elan Agreement(s)**” shall have the same meaning as in the Master Agreement.”

“**Master Agreement**” shall mean that certain Amended and Restated Master Agreement dated • July 2003 between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services Limited, Elan, Monksland Holdings B.V. and Amarin.”

3.2. by the deletion of Section 3.01(c)(ii) in its entirety and the substitution therefor of the following:

“(ii) thereafter, subject to Clauses 5, 7 and 8 of the Master Agreement, at quarterly intervals (the first being three calendar months after the Purchase Closing), successive payments of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) until such time as the entire Total Divestiture Amount has been paid.”

3.3. by the insertion into Section 3.01 of the following new Section 3.01(dd):

“(dd) Acceleration (Demand). Further, notwithstanding paragraph (c) above, upon written demand by Elan made either (a) on or after the Demandable Date, as that expression is defined in the Master Agreement, or (b) if Amarin breaches any Elan Agreement and does not remedy it within thirty (30) days of written notice of such breach from Elan specifying in reasonable detail the nature of the breach and requesting the same to be remedied, on or after the expiry of such thirty (30) day period – the entire balance of the Total Divestiture Amount then undischarged shall become immediately due and payable.”;

3.4. by the insertion into Section 3.01(e) immediately before the words “Amarin shall pay ...” of the words “subject to Section 3.01(ee),”; and

3.5. by the deletion of Section 3.01(ee) in its entirety and the substitution therefor of the following:

“(ee) Right To Redeem. At any time after • July 2003, Amarin may terminate its obligation to pay the Royalty set out in Section 3.01(e). Such option may be exercised by giving Elan written notice and by paying to Elan the sum of seven hundred thousand Dollars (\$700,000) by wire transfer in immediately available funds, and will not be considered validly exercised until both such notice is given and such payment is duly made (“**Royalty Termination Date**”). Termination of the Royalty obligation under this Section 3.01(ee) will not affect Amarin’s obligations in respect of Net Sales of the Product in the Territory up to and including the Royalty Termination Date, and Amarin shall not be entitled to any credit of Royalty paid

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before the Royalty Termination Date against the sum of One Million Dollars or any other amount.”

4. **CONFIRMATION OF THE AGREEMENT**

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. **EXECUTION AND DELIVERY**

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. **MISCELLANEOUS**

The provisions of Article 13 (Miscellaneous) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

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[Signature Page: Permax Amendment No. 2]

EXECUTED as a DEED by )

**AMARIN CORPORATION PLC** )  
acting by:- )

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

**EXECUTED as a DEED by** )  
**ELAN PHARMACEUTICALS, INC.** )  
acting by:- )

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXECUTION COPY

Date: 4 August 2003

AMARIN CORPORATION PLC.

AND

ELAN PHARMA INTERNATIONAL LIMITED

**DEED OF VARIATION NO. 4  
RELATING TO  
LOAN AGREEMENT DATED 28 SEPTEMBER 2001 AS AMENDED**

INDEX

1. [DEFINITIONS AND INTERPRETATION](#)
2. [INTRODUCTION](#)
3. [VARIATIONS](#)
4. [CONFIRMATION OF THE AGREEMENT](#)
5. [EXECUTION AND DELIVERY](#)
6. [MISCELLANEOUS](#)

**THIS DEED OF VARIATION NO. 4** is made the 4<sup>th</sup> August 2003

**BETWEEN:**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("**Amarin**"); and
- (2) **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("**Elan Pharma**").

**WHEREAS:**

- (A) Amarin and Elan Pharma entered into a Loan Agreement dated 28 September 2001.
- (B) The said Loan Agreement was amended by a Deed of Variation dated 19 July 2002, a Deed of Variation No. 2 dated 23 December 2002 and a Deed of Variation No. 3 dated 27 January 2003.
- (C) Elan Corporation, plc., Elan Pharma, Elan International Services Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and Amarin have entered into an Amended and Restated Master Agreement of even date herewith (the "**Master Agreement**").
- (D) Pursuant to the Master Agreement, Amarin and Elan Pharma have agreed to amend the Agreement by and upon the terms of this Deed.

**NOW THIS DEED WITNESSES AS FOLLOWS:****1. DEFINITIONS AND INTERPRETATION**

- 1.1. In this Deed, the "**Agreement**" shall mean the Loan Agreement between Amarin and Elan Pharma dated 28 September 2001, as amended by the Deed of Variation dated 19 July 2002 and further amended by the Deed of Variation No. 2 dated 23 December 2002 and the Deed of Variation No. 3 dated 27 January 2003.
- 1.2. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.
- 1.3. Reference to clauses herein are to clauses in the Agreement.

**2. INTRODUCTION**

This Deed is supplemental to the Agreement.

### 3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. Clause 1 (Definitions and Interpretation) shall be varied by the addition of the following definitions:

“**Demandable Date**” shall have the same meaning as in the Master Agreement.”

“**Elan Agreement(s)**” shall have the same meaning as in the Master Agreement.”

“**Master Agreement**” shall mean that certain Amended and Restated Master Agreement dated 4 August 2003 between Elan Corporation, plc., Elan Pharma, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and Amarin.”

3.2. Clause 2.3 (Interest) shall be varied by the deletion of the final sentence and the substitution therefor of the following:

“Subject to Clause 5 of the Master Agreement, such interest shall be payable in arrears on the last day of each Interest Period without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.”

3.3. Clause 2.4 (Repayment) shall be varied so it reads:

**Repayment**

Subject to Clauses 7 and 8 of the Master Agreement, the Loan shall be repaid by Amarin to Elan Pharma (or as it may direct) in the following amounts on the following dates:

2.4.1 US\$2,500,000 on 22 July 2002 (together with all interest thereon as calculated pursuant to clause 2.3);

2.4.2 US\$17,500,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2002;

2.4.3 US\$10,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on the sooner of (a) 30 September 2004 and (b) written demand made by Elan Pharma at any time on or after the Demandable Date;

2.4.4 US\$15,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on the sooner of (a) 30 September 2005 and (b) written demand made by Elan Pharma at any time on or after the Demandable Date.

in each case without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.”

3.4. Clause 4 shall be varied by:

3.4.1 the replacement of the reference to Clause 4.5A with a reference to Clause 4.5B; and

3.4.2 the addition of the following Clause 4.5B between clauses 4.5A and 4.6:

**4.5B Default on Other Agreement**

Amarin materially breaches any Elan Agreement, which breach is not remedied within 30 (thirty) days of Elan Pharma giving written notice to Amarin of such breach.”

### 4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

### 5. EXECUTION AND DELIVERY

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

### 6. MISCELLANEOUS

6.1. This Deed may be executed in several counterparts and upon due execution of all such counterparts by one or more parties, each counterpart shall be deemed to be an original hereof.

6.2. The provisions of Clauses 5 (Further Assurance), 6 (General), 7 (Assignment), 8 (Notices) and 9 (Governing Law, Jurisdiction) of the Agreement shall be incorporated into this Deed mutatis mutandis.

**EXECUTED as a DEED** by )  
**AMARIN CORPORATION PLC** )  
acting by:- )

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

**SIGNED AND DELIVERED AS A DEED**  
by **ELAN PHARMA INTERNATIONAL**  
**LIMITED** a company incorporated in Ireland acting  
by

\_\_\_\_\_  
\_\_\_\_\_

(being [a person] [persons] who, in accordance with the laws of that  
country, [is/are] acting under the authority of the company) in the  
presence of:

Witness:  
Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation \_\_\_\_\_



Date: 4<sup>th</sup> August 2003

ELAN INTERNATIONAL SERVICES, LTD.

ELAN PHARMACEUTICALS, INC.

AND

AMARIN CORPORATION PLC.

AMENDMENT AGREEMENT NO. 1 RELATING TO  
AMENDED AND RESTATED ASSET PURCHASE AGREEMENT  
DATED AS OF 29 SEPTEMBER 1999

(THE "CARNRICK LOAN")

INDEX

1. [DEFINITIONS AND INTERPRETATION](#)
2. [EIS VARIATION RESCINDED](#)
3. [TERMS OF REPAYMENT](#)
4. [CONDITION FOR OPTION](#)
5. [CONSEQUENTIAL VARIATION](#)
6. [FURTHER PROVISIONS](#)
7. [CONFIRMATION OF THE AGREEMENT](#)
8. [MISCELLANEOUS](#)

THIS AMENDMENT AGREEMENT is made the 4<sup>th</sup> August 2003

**BETWEEN:**

- (1) **ELAN INTERNATIONAL SERVICES, LTD.**, a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda ("**EIS**")
- (2) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("**EP Inc**") and
- (3) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("**Amarin**")

**WHEREAS:**

- (A) Amarin and EP Inc are parties to an amended and restated asset purchase agreement dated as of 29 September 1999 (the "**Original Agreement**").
- (B) EIS and Amarin are parties to an agreement dated 6 April 2000 amending the Original Agreement (the "**EIS Variation**"), whereby (*inter alia*), upon assignment of the Deferred Payment from EP Inc to EIS, the Deferred Payment was to be made to EIS partly in cash and partly by the immediate issue of certain equity securities. Such assignment was never effected, as the parties hereby acknowledge.
- (C) Amarin and EP Inc are parties to an agreement dated 2000 further amending the Original Agreement (the "**EP Inc Variation**"), whereby (*inter alia*) the Deferred Payment, as defined therein, was to be payable in equity securities in Amarin, or failing such payment in equity securities by 29 September 2004, in cash.
- (D) Elan Corporation, plc., Elan Pharma International Limited, EIS, EP Inc., Monksland Holdings B.V. and Amarin have entered into an Amended and Restated Master Agreement of even date herewith (the "**Master Agreement**").
- (E) Pursuant to the Master Agreement, Amarin and EP Inc. have agreed to amend the Original Agreement, as amended, by and upon the terms of this Amendment Agreement.

**NOW IT IS AGREED AS FOLLOWS:**

1. **DEFINITIONS AND INTERPRETATION**

- 1.1. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Amendment Agreement.
- 1.2. “**Demandable Date**” shall have the same meaning as in the Master Agreement.
- 1.3. “**Elan Agreement(s)**” shall have the same meaning as in the Master Agreement.

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- 1.4. Reference to articles, sections, clauses and paragraphs herein are to articles, sections, clauses and paragraphs in the Agreement.
- 1.5. The expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

2. **EIS VARIATION RESCINDED**

The EIS Variation is hereby rescinded in its entirety with the intention that it shall be deemed never to have had any effect whatsoever.

3. **TERMS OF REPAYMENT**

- 3.1. The Deferred Payment shall be payable to EP Inc:
- 3.1.1 in cash on 29 September 2004; or
- 3.1.2 in cash upon demand made in writing either (a) on or after the Demandable Date, or (b) if Amarin breaches any Elan Agreement and does not remedy it within thirty (30) days of written notice of such breach from Elan specifying in reasonable detail the nature of the breach and requesting the same to be remedied, the expiry of such thirty (30) day period; or
- 3.1.3 subject to Clause 4, at EP Inc’s sole option, exercised by written notice at any time prior to payment in full of the Deferred Payment but after 31<sup>st</sup> December 2003 (the “**Option**”), by the issue and allotment to EP Inc, or such person (including EIS or any other affiliate of EP Inc) as EP Inc may designate in the Option notice (either, the “**Recipient**”) of ordinary shares of £1 (one pound sterling) each in the capital of in Amarin (“**Ordinary Shares**”) at a price of US\$5.00 (five dollars) per Ordinary Share.
- 3.2. Amarin may not prepay the Deferred Payment, or any part, unless (a) EP Inc consents in writing, or (b) prepayment is made under the Master Agreement, subject to Clause 6.4 of this Amendment Agreement.
- 3.3. In the event that EP Inc exercises the Option, Amarin shall issue and allot the requisite number of Ordinary Shares to the Recipient;
- 3.4. EP Inc shall not be required to make any demand for repayment of the Deferred Payment. The Deferred Payment shall be made without any set off, counterclaim or withholding whatsoever.
- 3.5. As at the date of this Amendment Agreement, each American Depositary Receipt (“**ADR**”) represents one Ordinary Share of £1 in the capital of Amarin. In the event of any subdivision, consolidation or other restructuring of the capital or ADR structure of Amarin, the conversion price referred to above, and the multiple in Clause 4.4, shall each be adjusted accordingly.

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4. **CONDITION FOR OPTION**

- 4.1. Clause 3.1.3 shall not be effective unless and until Amarin receives all necessary shareholder, regulatory and governmental consents and approvals to honour it without material conditions, including authority to issue and allot the Ordinary Shares, to disapply pre-emption rights in respect of them, other shareholder approval and/or the approval of the Panel of Takeovers and Mergers, London.
- 4.2. Amarin shall use its best commercial efforts to secure all such consents and approvals and to maintain them in force at all material times.
- 4.3. Without prejudice to the generality of the foregoing, Amarin shall seek requisite approvals from its shareholders in the course of each general meeting convened after the date of this Agreement.
- 4.4. If, at any time at which the Option could be exercised, but for Clause 4.1, Elan in its sole discretion requires Amarin to do so by written notice, Amarin shall within five (5) business days pay to Elan in immediately available funds an amount equal to the greater of (a) \$6,500,000 (six million five hundred thousand dollars) and (b) the product of (i) 1,300,000 (one million three hundred thousand) and (ii) the 30 day trailing average (closing market mid-price) of the ADRs on NASDAQ on the 30 trading days preceding the date of notice, in complete discharge of the Deferred Payment.

In the event that the amount of the Deferred Payment then outstanding is less than \$6,500,000 (Six Million Five Hundred Thousand Dollars), the amount payable under this Clause 4.4 shall be reduced pro rata.

5. **CONSEQUENTIAL VARIATION**

The parties to this Amendment Agreement agree that the Agreement shall be varied by the deletion of Article IV, Section 4.01(b)(ii) in its entirety and the substitution therefor of the following:

“(ii) the balance of Six Million Five Hundred Thousand Dollars (\$6,500,000) (the “Deferred Payment”) in accordance with the provisions of that certain Amendment Agreement between the Seller and the Buyer dated July 2003.”.

## 6. FURTHER PROVISIONS

### 6.1. Registration Rights:

In the event that EP Inc exercises the Option, the Recipient shall be entitled to registration rights in respect of the Ordinary Shares issued and allotted which are no less favourable in any respect to the Recipient than those afforded in respect of the “Registrable Securities” of EIS and Monksland Holdings BV pursuant to that certain Registration Rights Agreement dated as of 21 October 1998 and amended by that certain Amendment No. 1 and Waiver dated 27 January 2003 **PROVIDED THAT** the Recipient shall not be entitled to have the Ordinary Shares included in the registration statement described in Article 5 of the said Amendment No. 1 and Waiver.

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### 6.2. Expenses:

All fees and expenses, including stamp duty, stamp duty reserve tax, depositary’s fees and NASDAQ fees, incurred in connection with this Amendment Agreement or its performance, shall be payable by Amarin.

### 6.3. Assignment:

Notwithstanding anything to the contrary in the Agreement or the Master Agreement:

- 6.3.1 EP Inc shall be entitled to assign its rights and obligations under this Amendment Agreement (including the right to receive the Deferred Payment) without the consent of Amarin; and
- 6.3.2 accordingly, for the avoidance of doubt, EP Inc’s rights under the Master Agreement, insofar as they relate to the Deferred Payment, shall be assignable by EP Inc to any assignee of this Amendment Agreement.

### 6.4. No Effect on Master Agreement Repayment Provisions:

- 6.4.1 If EP Inc has exercised the Option and, before issue of the Ordinary Shares, Amarin becomes obliged to discharge the Deferred Payment (in whole or in part) pursuant to the Master Agreement, EP Inc shall be entitled at its sole discretion:
  - (a) to revoke its exercise of the Option in its entirety;
  - (b) to revoke its exercise of the Option solely to the extent that payment falls due under the Master Agreement (so that the Option shall be deemed to have been exercised only in respect of the balance); or
  - (c) to require Amarin to proceed with the issue and allotment of Ordinary Shares under this Amendment Agreement.
- 6.4.2 Subject to Clause 6.4.1 of this Amendment Agreement, nothing in this Agreement shall be deemed to affect the provisions of the Master Agreement regarding the discharge of the Deferred Payment. For the avoidance of doubt, discharge of the Deferred Payment (or any part thereof) by the issue and allotment of Ordinary Shares shall not constitute the application of the proceeds of the Net Proceeds of the Legacy Sale, the Swedish Sale or Further Equity Financing (as those terms are defined in the Master Agreement), or of any part thereof.

## 7. CONFIRMATION OF THE AGREEMENT

Save as varied by this Amendment Agreement, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

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## 8. MISCELLANEOUS

- 8.1. The provisions of Article X (Miscellaneous) of the Agreement, shall be incorporated into this Amendment Agreement *mutatis mutandis*.
- 8.2. Each party shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Amendment Agreement, including entering into an appropriate registration rights agreement following exercise of the Option.

**IN WITNESS** whereof the parties have executed this Amendment Agreement on the date first above written.

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[Signature Page: Carrnick Amendment No. 1]

**SIGNED**

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For and on behalf of  
**ELAN INTERNATIONAL SERVICES, LTD.**

**SIGNED**

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For and on behalf of  
**ELAN PHARMACEUTICALS, INC.**

**SIGNED**

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For and on behalf of  
**AMARIN CORPORATION PLC.**

EXECUTION COPY

Date: [ ] February 2004

**AMARIN CORPORATION PLC.****INSTRUMENT**

**relating to the issue of a warrant  
entitling the holder to subscribe for  
500,000 ordinary shares in the capital of  
Amarin Corporation plc.**

**BCM Hanby Wallace**

Solicitors  
88 Harcourt Street  
Dublin 2  
Ireland  
Tel: +353 1 418 6900  
Fax: +353 1 418 6807

**THIS INSTRUMENT** is entered into by way of **DEED POLL** on [ ] February 2004 by **AMARIN CORPORATION PLC**, registered in England and Wales number 2353920 whose registered office is at 7 Curzon Street, London W1J 5HG (the "**Company**").

**WHEREAS** the Company has determined by a resolution of its board of directors (being duly empowered and authorised by the memorandum and articles of association of the Company) to issue a warrant entitling the holder thereof to subscribe for 500,000 ordinary shares of £1 each in the capital of the Company at any time prior to or including [ ] February 2009 at US\$[ ] per share, payable in full on subscription and has determined to constitute the same in the manner hereinafter appearing.

**NOW THIS INSTRUMENT WITNESSES** and the Company **HEREBY AGREES** and **DECLARES** as follows:-

**1. Warrant**

- 1.1 The warrant to be issued hereunder is in respect of 500,000 ordinary shares of £1 in the capital of the Company (it or any subdivision thereof, the "**Warrants**").
- 1.2 The Company shall comply with the particulars of the warrant set out in Schedule 1 hereto (the "**Particulars**") and shall perform and observe its obligations under the Particulars and the Warrants shall be held subject to the Particulars all of which shall be deemed to be incorporated in this Instrument and shall be binding on the Company and the registered holder of each of the Warrants for the time being (the "**Warrant Holders**") and all persons claiming through or under them respectively.

**2. Certificates**

Where the Warrants are in certificated form, the Warrant Holder shall be entitled to receive one certificate for the Warrants held by him. The certificate shall be substantially in the form set out in Schedule 2 hereto and shall have endorsed thereon a copy of the Particulars. Every certificate shall be executed as a deed of the Company.

**IN WITNESS** whereof this Instrument has been duly executed by the Company as a deed the day and year first above written.

**EXECUTED** as a **DEED** by )  
**AMARIN CORPORATION PLC** )  
acting by:- )

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

**SCHEDULE 1 PARTICULARS OF THE WARRANTS****1. Subscription Rights**

The Warrants shall confer upon the Warrant Holders the right to subscribe for up to an aggregate of 500,000 ordinary shares of £1 each (the “**Warrant Shares**”) in Amarin Corporation plc. (the “**Company**”) on one or more occasions prior to or including [ ] February 2009 (each such day hereinafter an “**exercise date**”) at US\$[ ] in cash for each share (the “**Warrant Price**”) payable in full on subscription (the “**Subscription Rights**”).

The Warrant Price is subject to adjustment as provided in paragraph 3 below.

## 2. Exercise of Subscription Rights

2.1. In relation to any Warrants that are in certificated form on any exercise date, in order to exercise the Subscription Rights, the Warrant Holder must lodge the Warrant certificate or certificates at the registered office of the Company within the period of 30 days preceding the relevant exercise date, having completed the exercise notice thereon or accompanied by such other notice in writing as may be approved by the Directors specifying the number of Warrant Shares in respect of which the Subscription Rights are exercised, together with a remittance for the subscription monies due.

Once lodged, exercise of Subscription Rights shall be irrevocable save with the written consent of the directors of the Company (the “**Directors**”) or as provided herein. The Company shall, upon exercise of all or any of the Warrants, allot and issue the relevant number of Warrant Shares and (if applicable) a Warrant certificate to the Warrant Holder for the balance of the Warrants of such Warrant Holder which remains unexercised.

2.2. In the event that an exercise of the Subscription Rights would require Amarin to allot and issue Warrant Shares at a discount to par, then the Company shall not allot and issue the Warrant Shares at such a discount and the Company shall so notify the exercising Warrant Holder. The exercising Warrant Holder shall thereupon be entitled in its sole discretion:

2.2.1 to withdraw the exercise of the Subscription Rights and to have returned the remittance and any Warrant certificate(s) lodged; or

2.2.2 to suspend the exercise of the Subscription Rights until such time as the Warrant Shares to be allotted and issued pursuant thereto may be so allotted and issued without a discount to par; and pending such allotment and issue the Company shall:

2.2.2.1 hold the Warrant certificate(s) and remittance lodged on trust for the Warrant Holder absolutely, and for the avoidance of doubt the Warrant Holder shall be entitled at any time to withdraw the

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exercise of the Subscription Rights and to have returned the remittance and any Warrant certificate(s) lodged;

2.2.2.2 to deposit the said remittance in a money market account and to pay the interest received thereon to the Warrant Holder as and when demanded and in any event on (i) the allotment and issue of the Warrant Shares or (ii) the return of the remittance; and

2.2.2.3 keep available for issue sufficient authorised but unissued share capital to satisfy in full the Subscription Rights, and any other Subscription Rights remaining exercisable; or

2.2.3 require the Company to issue the Warrant Shares at par and remit the deficit to the Company; and in that event the Company shall allot and issue to the Warrant Holder the number of Warrant Shares specified in the exercise notice.

2.3. Warrant Shares issued pursuant to the exercise of Subscription Rights will be allotted fully paid not later than 14 days after and with effect from the relevant exercise date and if the Warrant Shares are to be in certificated form, certificates in respect of such shares will be issued not later than 21 days after the relevant exercise date to the person in whose name the Warrant is registered at the date of such exercise or to such other persons as may be named in the form of nomination.

2.4. No fractions of a Warrant Share will be issued and no refund will be made to a Warrant Holder exercising his subscription rights in respect of that part of the relevant subscription moneys which represents such a fraction (if any), provided that if more than one Warrant is exercised at the same time by the same Warrant Holder then, for the purposes of determining the number of Warrant Shares issuable upon the exercise of such Warrants and whether (and, if so, what) fraction of a Warrant Share arises, the number of Warrant Shares arising on the exercise of each Warrant shall first be aggregated.

2.5. Warrant Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, made or paid by reference to a record date prior to the relevant exercise date but, subject thereto, will rank in full for all dividends and (save insofar as adjustment therefor pursuant to paragraph 3 below has already been made) other distributions declared, made or paid by reference to a record date on or after the relevant exercise date and otherwise pari passu in all other respects with the ordinary shares of the Company in issue at that date.

2.6. If the Subscription Rights are not exercised on or by [ ] February 2009 the Warrants shall lapse and be of no further effect on such date (save in respect of Subscription Rights already duly exercised on or before that date).

## 3. Adjustment of Subscription Rights

3.1. In the event that the Company consolidates or subdivides its ordinary shares of £1 each (the “**Ordinary Shares**”) then outstanding then the Warrant Price shall be

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adjusted proportionately (in the case of consolidation or subdivision) or to the issue price of the Ordinary Shares or securities in question.

3.2. Without prejudice to paragraph 3.1, in the event that the Company:

- 3.2.1 makes any capital distribution to its shareholders; or
- 3.2.2 issues any shares to its shareholders by way of capitalisation of profits or reserves (other than scrip dividends where the market value of the dividend does not exceed the amount of the cash dividend (or the relevant part thereof, where applicable)); or
- 3.2.3 issues Ordinary Shares to its shareholders by way of rights or grants any entitlement to its shareholders to subscribe for or purchase Ordinary Shares, in either case at less than 80 per cent. of the market value of the Ordinary Shares; or
- 3.2.4 issues any Ordinary Shares at less than 80 per cent. of the market value of the Ordinary Shares, other than pursuant to any employee or executive share option scheme approved by the shareholders of the Company; or
- 3.2.5 any other event occurs (other than an offer for the whole of the issued capital of the Company which becomes or is declared unconditional in all respects) which the Warrant Holder reasonably considers should result in an adjustment to the Warrant Price –

then the Company shall appoint, at the Company's sole cost, an investment bank reasonably acceptable to the Warrant Holder to determine what adjustment, if any, should be made to the Warrant Price so as to preserve fairly the economic interest of the Warrant Holder.

The investment bank where appropriate shall make such adjustments on a weighted average basis. The investment bank shall act as an expert and not as arbitrator and the decision of such investment bank, save for manifest error, shall be binding on the Company and the Warrant Holder and any adjustment shall be given effect as far as possible as if it had been made at the time of the event giving rise to the adjustment.

- 3.3. For the purposes of this condition, "**market value of the Ordinary Shares**" means (a) where the Ordinary Shares or ADRs are admitted to trading on a recognised investment exchange (as defined by section 285 of the Financial Services and Markets Act 2000) the average of the mid-market closing price for the Ordinary Shares (or the ADRs representing them) over the 5 consecutive dealing days ending on the dealing day immediately prior to the date of the event giving rise to any adjustment; or (b) where the Ordinary Shares are not admitted to trading on a recognised investment exchange, as the Company's auditors (or, at the option of the Warrant Holder, such independent firm of accountants as is acceptable to both the Company and the Warrant Holder, acting reasonably) shall certify in writing to be the price which in their opinion represents a fair value for such shares as between a willing seller and a willing purchaser as at the appropriate date. In so certifying, the auditors (or independent accountants), whose costs shall be borne by the Company,

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shall act as experts and not as arbitrators and their decision shall be final and binding on the parties.

#### 4. **Other Provisions**

So long as any Subscription Rights remain exercisable:-

- 4.1. the Company shall not do any act or thing if as a result of the Company may reasonably be expected on any subsequent exercise of the Subscription Rights to be obliged to issue shares at a discount to par;
- 4.2. the Company shall not (except as required by law or otherwise with the consent of the Warrant Holder) reduce its share capital or (except as authorised by sections 130(2) and 170(4) of the Companies Act 1985 or otherwise with the consent of the Warrant Holder) any share premium account or capital redemption reserve;
- 4.3. the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable;
- 4.4. if an order is made or an effective resolution is passed for winding-up the Company (except for the purposes of a reconstruction or amalgamation on terms sanctioned by the Warrant Holder) the Company shall forthwith give written notice to the Warrant Holder whereupon the Warrant Holder shall be treated as if the Subscription Rights attaching to the Warrants had been exercised in full on the day immediately preceding the date of such order or resolution on the terms (subject to any adjustment pursuant to paragraph 3 above) on which the same could have then been exercised and shall be entitled to receive a sum equal to the amount to which he would have become entitled in such winding-up if he had been the holder of the shares the object of the Subscription Rights attaching to his Warrants less the amount which would have been payable on exercise of those Subscription Rights in the manner aforesaid provided that such holder shall only be treated if the former amount exceeds the latter amount: subject to the foregoing all outstanding Subscription Rights will lapse on commencement of a winding-up of the company;
- 4.5. no share capital of the Company shall be in issue (other than with the consent of the Warrant Holder) which is not in all respects uniform with the Ordinary Shares save:-
  - 4.5.1 as to the date from which such capital shall rank for dividend;
  - 4.5.2 for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares; or
  - 4.5.3 for equity share capital issued pursuant to an employees' share scheme within the meaning of section 743 of the Companies Act 1985 approved by the Company in general meeting;
- 4.6. the Company shall not take any action which would result in any adjustment to the Warrant Price if, after giving effect thereto, the Warrant Price would, but for the proviso that the Warrant Price shall not be reduced below the nominal value of the

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Warrant Shares, be decreased to such an extent that Warrant Shares to be issued on exercise of the Warrants would fall to be issued below their nominal value or otherwise could not under any applicable law then in effect, be legally issued as fully paid;

- 4.7. subject to any continuing obligations of NASDAQ or other laws of or the requirements of any recognised regulatory body or stock exchange to which it is then subject, the Company may from time to time purchase the Warrants or any of them at any price by tender, private treaty or otherwise with the agreement of the respective holder, and the Company may accept the surrender of the Warrants or any of them at any time. The Warrants so purchased or surrendered shall forthwith be cancelled by the Company, which will not be at liberty to reissue or resell it.

## 5. **Modification of rights**

All or any of the rights attaching to the Warrants may from time to time (whether or not the Company is being wound up) only be altered or abrogated by the Company with the consent of the Warrant Holder.

## 6. **Transfer**

- 6.1. The Warrants will be registered and may be freely transferred, by means of instrument of transfer in any usual or common form, or in any other form which may be approved by the directors of the Company.
- 6.2. The Warrants will be similarly transferable in part **provided that** the Company shall not be obliged to accept a transfer of Warrants in respect of Subscription Rights over less than 50,000 Ordinary Shares.

## 7. **Registration Rights**

Application will be made to NASDAQ or such other exchange to which the Shares are admitted to trading for ADRs representing the Warrant Shares (or the Warrant Shares themselves as the case may be) to be issued pursuant to the exercise of any Warrants to be admitted to trading and the Company undertakes to use all reasonable endeavours to obtain the admission thereof not later than 90 days after the relevant date of exercise. The Company shall be solely liable for any fees, duties or taxes (including stamp duty, stamp duty reserve tax, depositary fees and NASDAQ fees) arising from the transfer of Warrant Shares to the depositary and/or admission of the ADRs or Warrant Shares to trading.

## 8. **Warrant Holder**

Where at any time there is more than one registered holder of the Warrants:

- 8.1. any provision of this Instrument requiring notice to be given to the Warrant Holder shall be deemed to require notice to be given to each such registered holder of the Warrants;

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- 8.2. any provision requiring the consent of the Warrant Holder shall be deemed to require either:

- 8.2.1 the written consent of each such registered holder of the Warrants; or
- 8.2.2 the passing of a resolution of a meeting of the Warrant Holders, duly convened and conducted in accordance with Schedule 3, **PROVIDED THAT** the matters referred to in paragraph 14 of Schedule 3 shall require an Extraordinary Resolution (as defined in Schedule 3) of such Warrant Holders.

## 9. **Representations and Warranties**

The Company represents and warrants to the Warrant Holders as follows:

- 9.1. The Company has all requisite corporate power and authority to authorise and execute the warrant and the certificates evidencing the Warrants and to perform all obligations and undertakings under the warrant and the certificates evidencing the Warrants, without the approval of its shareholders, NASDAQ or any other person.
- 9.2. The warrant has been duly authorised and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms.
- 9.3. The Warrant Shares have been duly authorised and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable.
- 9.4. The execution and delivery of the warrant are not, and the issuance of the Warrant Shares upon exercise of the Warrants or any of them in accordance with the terms hereof will not be, inconsistent with the Company's Memorandum and Articles of Association or any regulation adopted by the Company, as amended, and do not and will not constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound.

## 10. **General**

- 10.1. The warrant may not be modified or amended, or any provisions hereof waived, except by written agreement of the Company and the Warrant Holders.
- 10.2. All notices, demands and requests of any kind to be delivered to any party in connection with the warrant shall be in writing and shall be deemed to have been duly given if personally or hand delivered, at the time of receipt; if sent by an internationally-recognised overnight delivery courier, on the first business day after the package is in the custody of the courier; by registered or certified mail, return receipt requested and postage prepaid, on



the fourth business day after the package is delivered in the custody of the postage service; or by facsimile transmission, upon receipt of confirmation of delivery, in each case addressed as follows:

if to the Company, to:

Amarin Corporation plc.  
7 Curzon Street  
London  
W1J 5HG  
England

Attention: Company Secretary  
Fax: +44 20 7499 9004

if to a Warrant Holder, at its address as appearing in the register of holders, as may be altered by such holders by written notice from time to time.

- 10.3. The Company covenants with the Warrant Holders that upon receipt of a description of circumstances reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of a certificate for Warrants and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant certificate, the Company will make and deliver a new Warrant certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant certificate.
- 10.4. The Company will concurrently with the issue of the same to its ordinary shareholders send to the registered Warrant Holders a copy of each published annual report and accounts of the Company, together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued to ordinary shareholders.
- 10.5. Where Warrants are in certificated form, the Warrant(s) registered in the name of a Warrant Holder shall be evidenced by a Warrant certificate issued by the Company, free of charge.
- 10.6. If any exercise date would, but for the provisions of this paragraph 10.6, fall on a day which is not a business day, the relevant exercise date shall be the next following business day, and for the purposes of these particulars "business day" means a day on which banks in London and Dublin are generally open for business.
- 10.7. The descriptive headings of the several sections and paragraphs contained in this Instrument are for reference purposes only and shall not affect in anyway the meaning or interpretation of this Instrument.
- 10.8. These particulars shall be governed by and construed in accordance with English law.

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## SCHEDULE 2 FORM OF WARRANT CERTIFICATE

### AMARIN CORPORATION PLC.

(Registered in England and Wales No. 2353920)

### WARRANT CERTIFICATE

**Warrant Certificate Number •**

This is to certify that the person named below is a holder of Warrants for the purpose of the warrant instrument issued by the Company on [ ] February 2004 ("Warrant Instrument") and has the right to subscribe in cash at the price of US\$[ ] per share for 500,000 ordinary shares in the capital of the Company on the terms set out in the Warrant Instrument.

#### Holder of the Warrants

Name:

Address:

#### No. of Warrant Shares represented by this Certificate:

\*\*\*[500,000] ordinary shares

(subject to adjustment in accordance with paragraph 3 of Schedule 1 of the Warrant Instrument)

Date of Issue: [ ] February 2004

\_\_\_\_\_  
Director  
Director/Secretary

Notes:

- (1) The Subscription Rights are transferable prior to exercise only in accordance with the provisions of the Warrant Instrument.
- (2) All transfers must be accompanied by this Warrant Certificate.
- (3) A copy of the Warrant Instrument may be inspected on request to the Company Secretary, Amarin Corporation plc., 7 Curzon Street, London W1J 5HG, England.
- (4) The "Exercise Notice" printed on the next page forms part of this certificate.

**EXERCISE NOTICE**

(To be printed on the back of the Certificate)

We hereby exercise the Subscription Rights in respect of \_\_\_\_\_ ordinary shares in the capital of **AMARIN CORPORATION PLC.** at US\$[ ] per share and attach a cheque for US\$\_\_\_\_\_ being the aggregate Warrant Price payable in respect of the Subscription Rights we are exercising. We agree that the ordinary shares are accepted subject to the Articles of Association of the Company.

We direct the Company to allot the ordinary shares to be issued pursuant to this exercise as follows:-

No. of Shares	Name of Proposed Allottee	Address of Proposed Allottee

We further direct the Company to despatch to us a Warrant Certificate in our name for any balance of our Warrants remaining exercisable.

Share certificates should be sent to:

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE 3 MEETINGS OF WARRANT HOLDERS**

**1. Convening of Meetings**

The Company may, at any time and from time to time, and shall upon the request in writing signed by any one or more of the holders of all or any of the Warrants (for the purposes of this Schedule the "Warrant Holders") holding or together holding not less than 10% (ten per cent.) of the Subscription Rights under the Warrants for the time being unexercised convene a meeting of the Warrant Holders to be held at such place in London or Dublin as the Warrant Holders may specify, or in default of request, such place as the Company shall determine.

**2. Notice of Meetings**

- 2.1 At least 14 (fourteen) clear days' notice or, where the meeting is being convened for the purpose of passing an Extraordinary Resolution, at least 21 (twenty one) clear days' notice of every meeting shall be given to the Warrant Holders.
- 2.2 The notice shall specify the place, day and hour of meeting and the general nature of the business to be transacted but it shall not be necessary to specify in the notice the terms of any resolution to be proposed (except in the case of a meeting being convened for the purposes of an Extraordinary Resolution where the notice shall state the terms of the Extraordinary Resolution). The Notice shall state that the Warrant Holder is entitled to appoint a proxy to attend and on a poll to vote instead of him.
- 2.3 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by the Warrant Holders shall not invalidate the proceedings of or any resolution passed at that meeting.

**3. Quorum**

The quorum at any meeting for the transaction of business other than passing an Extraordinary Resolution shall be any 2 (two) or more persons being or representing by proxy (or by a duly authorised representative in the case of a corporate Warrant Holder) Warrant Holders holding in the aggregate at least 10% (ten per cent.) of the Subscription Rights under the Warrants for the time being unexercised for the time being outstanding. The quorum for passing an Extraordinary Resolution shall be any 2 (two) or more persons being or representing by proxy (or by a duly authorised representative in the case of a corporate Warrant Holder) Warrant Holders holding in the aggregate a clear majority of the Subscription Rights under the Warrants for the time being unexercised. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

#### **4. Absence of Quorum**

4.1 A meeting requisitioned by the Warrant Holders or any of them shall be dissolved if there is no quorum present within 15 (fifteen) minutes from the time appointed for the meeting. In any other case it shall stand adjourned to a day (not being less than 14

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(fourteen) days nor more than 28 (twenty eight) days thereafter) and to such time and place as the Chairman (as defined in paragraph 5) directs. At any such adjourned meeting, the Warrant Holders, proxies for Warrant Holders or duly authorised representative of a corporate Warrant Holder present whatever their number or the Subscription Rights under the Warrants for the time being unexercised held or represented by them will constitute a quorum for all purposes (including the passing of an Extraordinary Resolution).

4.2 At least 7 (seven) clear days' notice of any such adjourned meeting of Warrant Holders shall be given in the same manner, *mutatis mutandis*, as for an original meeting and such notice shall state that the Warrant Holders, proxies for Warrant Holders or duly authorised representatives in the case of corporate Warrant Holders present whatever their number or the Subscription Rights under the Warrants for the time being unexercised held or represented will constitute a quorum.

4.3 No business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

#### **5. Chairman**

The Company may nominate in writing a person (who may be but need not be a Warrant Holder) to preside as chairman at a meeting but if no such person is nominated or if at any meeting the person nominated shall not be present within 15 (fifteen) minutes after the time appointed for holding the meeting the Warrant Holders present shall choose one of their number to be the chairman (the "Chairman").

#### **6. Attendance of Directors and Advisers**

The directors, the secretary and the solicitors of and any other person authorised in that behalf by the Company may attend and speak at any meeting.

#### **7. Resolutions**

A resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result on the show of hands a poll is demanded by the Chairman or by one or more Warrant Holders present in person, by proxy or by a duly authorised representative in the case of a corporate Warrant Holder and holding or representing in aggregate not less than 10% (ten per cent.) of the Subscription Rights under the Warrants for the time being unexercised for the time being outstanding. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### **8. Poll**

8.1 If a poll is duly demanded (and the demand is not withdrawn before the poll is taken) it shall be taken in such manner and either forthwith or at such time and place as the

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Chairman may direct except that a poll demanded on the election of a Chairman or any question of adjournment shall be taken at the meeting without adjournment.

8.2 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least 7 (seven) clear days' notice shall be given.

8.3 The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

8.4 The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

#### **9. Voting**

9.1 On a show of hands, every Warrant Holder who being an individual is present in person or being a corporation is present by its authorised representative shall have 1 (one) vote. On a poll, every Warrant Holder who is present in person or by proxy or, in the case of a corporation, by its duly authorised representative shall have 1 (one) vote for every Ordinary Share represented by the Subscription Rights for the time being unexercised held by him.

- 9.2 A person entitled to more than 1 (one) vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 9.3 In the case of joint Warrant Holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of such holding.
- 9.4 An objection to the qualification of any person voting or to the counting of, or failure to count, a vote may be raised only at the meeting or adjourned meeting at which the vote objected to is tendered. Unless an objection is made in due time, every vote counted and not disallowed at the meeting or adjourned meeting is valid and every vote disallowed or not counted is invalid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

## **10. Equality of Votes**

In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting (provided he is also a Warrant Holder or an authorised representative of a corporate Warrant Holder) shall be entitled to a casting vote in addition to any vote or votes to which he may be entitled as a Warrant Holder or proxy or corporate representative.

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## **11. Adjournment of Meeting**

The Chairman may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No notice of any such adjourned meeting need be given except when the meeting is adjourned for 14 (fourteen) days or more or an Extraordinary Resolution is proposed to be passed at the adjourned meeting, in which event at least 7 (seven) clear days' notice shall be given.

## **12. Proxies**

- 12.1 The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either executed under its common seal or signed by an attorney or officer so authorised. The Company may (but shall not be bound to) require evidence of the authority of any such attorney or officer.
- 12.2 A person appointed to act as proxy need not be a Warrant Holder. The Chairman of the meeting may be designated as a proxy in an instrument of proxy without being named.
- 12.3 An instrument of proxy may be in the usual or common form or in any other form which the Company may approve and such proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 12.4 An instrument of proxy shall be valid for any adjournment of the meeting to which it relates and the instrument shall be deemed to confer authority to vote on amendments to resolutions put to the meeting for which the authority is given or at an adjournment, unless in each case the contrary is stated on it.
- 12.5 Where it is desired to afford members an opportunity to instruct the proxy how he shall act, the instrument appointing a proxy shall be in any form which enables the Warrant Holders to direct how their votes are to be exercised on each of the resolutions comprised in the business of the meeting for which it is to be used.
- 12.6 The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a copy of such power or authority certified notarially or in some other way approved by the Board of Directors shall be deposited at the Company's registered office or at such place within England, Wales or Ireland as may be specified in the notice convening the meeting, or any document accompanying such notice, at such time as may be specified therein being not less than 48 (forty eight) hours before the time appointed for holding the meeting or adjourned meeting. In the case of a poll taken more than 48 (forty eight) hours after it is demanded, it shall be deposited as aforesaid after the poll has been demanded and not less than 24 (twenty four) hours before the time appointed for the taking of the poll. Where the poll is not taken forthwith but is taken not more than 48 (forty eight) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the secretary or to any director of the Company. Any instrument of proxy not deposited as provided for in this paragraph 12.6 shall be invalid.

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- 12.7 An instrument appointing a proxy shall be invalid on the expiration of 12 (twelve) months from the date of execution.
- 12.8 A vote given or poll demanded by proxy or by the duly authorised representatives of a corporate Warrant Holder shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## **13. Bodies Corporate**

Any body corporate being a Warrant Holder may in writing under the hand of one of its directors or its secretary authorise any person to act as its representative at any meeting of the Warrant Holders and the person so authorised shall be entitled to exercise the same powers on behalf of the body corporate he represents as that body corporate could exercise if it were an individual Warrant Holder present in person at the meeting.

## **14. Powers of Meeting of Warrant Holders**

A meeting of the Warrant Holders shall in addition to any other powers have power by Extraordinary Resolution to:-

- 14.1 sanction on behalf of the Warrant Holders any scheme for the reconstruction of the Company or for the amalgamation of the Company with any other company;
  - 14.2 sanction on behalf of the Warrant Holders any proposal made or approved by the Company for the exchange of the Warrants for or the conversion of the Warrants into shares, stock, debentures, debenture stock or other obligations or securities of the Company or any other company formed or to be formed, or cash or partly for, or into, such shares, stock, debentures, debenture stock or other obligations or securities as aforesaid and partly for, or into, cash and for the appointment of some person with power on behalf of the Warrant Holders to execute an instrument of transfer of the respective number of Warrants held by them in favour of the person to or with whom the Warrants are to be sold or exchanged, respectively;
  - 14.3 sanction on behalf of the Warrant Holders the release of the Company from all or any of the rights of the Warrant Holders under the Warrants (but not other rights);
  - 14.4 sanction on behalf of the Warrant Holders any modification, abrogation, extension, replacement or compromise of the rights of the Warrant Holders against the Company whether such rights shall arise under this Instrument or otherwise;
  - 14.5 assent on behalf of the Warrant Holders to any modification abrogation, extension, replacement, or compromise of any provision of this Instrument proposed or agreed to by the Company and to authorise the Company to execute any instrument embodying the same; and
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- 14.6 appoint on behalf of the Warrant Holders any persons (whether Warrant Holders or not) as a committee to represent the interests of the Warrant Holders and to confer upon such committee any powers or discretions which the Warrant Holders could themselves exercise.

**15. Extraordinary Resolutions**

An Extraordinary Resolution passed at a meeting of the Warrant Holders duly convened and held shall bind all the Warrant Holders whether or not present at the meeting where it was passed and each of the Warrant Holders shall be bound to give effect to such Extraordinary Resolution.

**16. Written Resolution**

A resolution in writing signed by all of the Warrant Holders for the time being outstanding (or by their duly authorised representatives in the case of corporations) shall be valid and effectual as if it had been passed as an Extraordinary Resolution at a meeting of the Warrant Holders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

**17. Minutes**

The Chairman shall at the expense of the Company procure that minutes of all resolutions and proceedings at every meeting of the Warrant Holders shall be made and duly entered in books to be provided for that purpose by the Company. Any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting of the Warrant Holders shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

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EXECUTION COPY

Date: 23 December 2003

ELAN CORPORATION, PLC.  
 ELAN PHARMA INTERNATIONAL LIMITED  
 ELAN INTERNATIONAL SERVICES, LTD.  
 ELAN PHARMACEUTICALS, INC.  
 MONKSLAND HOLDINGS BV  
 AND  
 AMARIN CORPORATION PLC.

## AMENDMENT AGREEMENT

- *Amended and Restated Master Agreement, 4 August 2003*
- *Amended and Restated Asset Purchase Agreement (Carrick products), 29 September 1999 as amended and together with Amendment Agreement, 4 August 2003*
- *Loan Agreement, 28 September 2001, as amended by Deeds of Variation Nos. 1-4*
- *Amended and Restated Distribution, Marketing and Option Agreement (Permax®), 28 September 2001, as amended by Deeds of Variation Nos. 1&2*

## INDEX

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THIS DEED is executed and delivered the 23<sup>rd</sup> December 2003

## BETWEEN:

- (1) **ELAN CORPORATION, PLC.**, a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland ("**Elan Corp**")
- (2) **ELAN PHARMA INTERNATIONAL LIMITED**, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("**EPIL**")
- (3) **ELAN INTERNATIONAL SERVICES, LTD.**, a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda ("**EIS**")
- (4) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("**EP Inc**")

- (5) **MONKSLAND HOLDINGS BV**, a private company limited by shares incorporated in the Netherlands under registered number 33265127, whose registered office is at Amsteldijk 166, 1079 Amsterdam, Netherlands (“**Monksland**”)
- (6) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG, England (“**Amarin**”)

**RECITALS:**

- (A) Elan and Amarin are parties to the Original Agreements, as defined below.
- (B) The Swedish Sale has been effected, the Net Proceeds thereof paid into the Proceeds Account (as those terms are defined in the Master Agreement and the Charge) and thence to Elan as required by the Master Agreement.
- (C) Amarin wishes to further restructure its relationship with Elan, and accordingly the parties have agreed to do so upon the terms set out in this Amendment Agreement, the Bridging Loan Agreement (as defined below) and the Charge Amendment.

**NOW IT IS AGREED** in consideration of the mutual promises and undertakings set out herein as follows:

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**1. DEFINITIONS AND INTERPRETATION**

**1.1. Definitions:**

In this Amendment Agreement:

“**this Amendment Agreement**” shall mean this amendment agreement and shall include the Recitals and Schedules hereto.

“**Amendment Date**” shall mean 23 December 2003.

“**Bridging Loan Agreement**” shall mean the bridging loan agreement between EP Inc and Amarin of the same date as this Amendment Agreement.

“**Charge Amendment**” shall mean the debenture amendment agreement between Amarin and Elan Corp as trustee, of the same date as this Amendment Agreement.

“**Original Agreements**” shall mean:

- (i) the Amended and Restated Master Agreement dated 4 August 2003 between Elan Corp, EPIL, EIS, EP Inc, Monksland and Amarin (“**Master Agreement**”);
- (ii) the Amended and Restated Option Agreement dated 4 August 2003 between EPIL and Amarin (“**Zelapar Agreement**”);
- (iii) the Loan Agreement dated 28 September 2001 between Amarin and EPIL, as varied by (i) a Deed of Variation dated 19 August 2002, (ii) a Deed of Variation No. 2 dated 23 December 2002, (iii) a Deed of Variation No. 3 dated 27 January 2003, and (iv) a Deed of Variation No. 4 dated 4 August 2003 (“**Loan Agreement**”);
- (iv) the Amended and Restated Distribution, Marketing and Option Agreement (Permax) dated 28 September 2001, by and between EP Inc and Amarin, as varied by (i) a Deed of Variation dated 27 January 2003 and (ii) a Deed of Variation No. 2 dated 4 August 2003 (“**Permax Agreement**”);
- (v) {the Amended and Restated Asset Purchase Agreement dated as of 29 September 1999 (which agreement concerned certain products known as the “Carnrick products”) by and between EP Inc and Amarin, as amended up to 3 August 2003 (“**Carnrick Agreement**”);
- (vi) the Amendment Agreement No. 1 relating to the Carnrick Agreement, between EP Inc and Amarin dated 4 August 2003 (“**Carnrick Amendment**”); and
- (vii) the Debenture between Amarin and Elan Corp as trustee dated 4 August 2003 (“**Charge**”) -

and “Original Agreement” shall have a corresponding meaning.

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“**Proceeds Account**” shall have the same meaning as in the Charge, as amended.

“**Zelapar Letter**” shall mean the letter agreement between EPIL and Amarin of the same date as this Amendment Agreement relating to Zelapar®.

**1.2. Other Defined Terms and Interpretation:**

Except as expressly set out in this Amendment Agreement:

- 1.2.1 all defined terms shall have the same meaning as in the Master Agreement;

1.2.2 references to clause or section numbers shall be to those of the appropriate Original Agreement; and

1.2.3 this Amendment Agreement shall otherwise be interpreted in the same manner as the Master Agreement.

## 2. AMENDMENTS TO THE MASTER AGREEMENT

The Master Agreement is hereby amended with effect from the Amendment Date as follows:

2.1. Each reference to the “Carnrick Agreement”, the “Loan Agreement”, and the “Permax Agreement” is deemed a reference to those agreements as amended (where applicable) by the respective August 2003 Amendments (as defined in the Master Agreement) and by this Amendment Agreement.

2.2. The definition of “Carnrick Amendment” is deleted and replaced by the following:

“ **“Carnrick Amendment”** shall mean the Amendment Agreement No. 1 relating to the Carnrick Agreement, dated 4 August 2003, as amended by the Amendment Agreement dated 23 December 2003.”

For the avoidance of doubt, it is hereby acknowledged that the reference in the Master Agreement to “Amendment Agreement No. 2” was in error and was intended to read “Amendment Agreement No. 1”.

2.3. The definition of “Charge” is deleted and replaced by the following:

“ **“Charge”** shall mean the debenture, being a fixed and floating charge over the entire assets and business of Amarin, in favour of Elan Corp as trustee for itself, EPIL, EIS, EP Inc and Monksland, dated 4 August 2003, as amended by the debenture amendment agreement dated 23 December 2003 between the same parties.”

2.4. The definition of “Demandable Date” is deleted and replaced by the following:

“ **“Demandable Date”** shall mean the soonest of:

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(a) one (1) business day after the receipt by Amarin of Net Proceeds of the Legacy Sale, Swedish Sale and Further Equity Financing of not less than:

(i) US\$30,000,000 (thirty million dollars) if the same is prior to 31 December 2003;

(ii) US\$31,500,000 (thirty one million five hundred thousand dollars) if thereafter;

(b) a Change of Control; and

(c) 31 March 2004.”

2.5. The definition of “Elan Agreements” is amended by:

2.5.1 the elimination from paragraph (c) of the word “and”;

2.5.2 the addition to the end of paragraph (d) of the word “and”;

2.5.3 the addition of the following paragraph (e):

“the Bridging Loan Agreement between EP Inc and Amarin dated 23 December 2003”

and

2.5.4 the addition before the words “and “Elan Agreement” shall have a corresponding meaning” of the following words:

“(in the case of (a) to (c) as amended by the Amendment Agreement between Elan and Amarin dated 23 December 2003) ...”

2.6. The definition of “Outstanding Amounts” is deleted and replaced by the following:

“ **“Outstanding Amounts”** shall mean such of the Deferred Payment, Loan and Total Divestiture Amount as may be outstanding at a given time, whether or not immediately due, including the Relevant Payments. Solely for the purpose of Clause 9 of this Agreement, “Outstanding Amounts” shall also include the Bridging Loan (as that expression is defined in the Bridging Loan Agreement between EP Inc and Amarin dated 23 December 2003), as is outstanding at any given time, whether or not due.”

2.7. The definition of “Zelapar Agreement” is deleted and replaced by the following:

“ **“Zelapar Agreement”** shall mean the Amended and Restated Option Agreement (Zelapar), between EPIL and Amarin dated 4 August 2003, as

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amended by a letter agreement between the same parties dated 23 December 2003.”

2.8. In each of Clauses 4 (Limited Waiver (Permax)), 5.1 (Moratorium), and 7 (Use of Proceeds of Asset Sale), the date “31 December 2003” is amended to read “31 March 2004”.

2.9. Clause 8.1 (Conditional Release) is amended by the deletion of the words “Elan receives ...” through “... from Amarin” and the substitution therefore of the words:

“Elan receives:

(a) prior to 31 December 2003, a cumulative total of US\$30,000,000 (thirty million dollars); or

(b) prior to 31 March 2004, a cumulative total of US\$31,500,000 (thirty one million five hundred thousand dollars) -

from Amarin ...”

2.10. Clause 9.1 (Use of Proceeds of Asset Sales) is amended by the deletion of the date “30 June 2004” and the substitution therefor of the date “31 September 2004”.

2.11. A new Clause 10.7 is added as follows:

“10.7 Multiple Sales - Calculation:

Without prejudice to any right Elan may have under the Charge or any other agreement, in the event that the Legacy Sale is made in conjunction with the sale of other assets, the Net Proceeds thereof shall be deemed to be the appropriate proportion of the gross proceeds less the same proportion of the applicable deductions; and the gross proceeds shall be calculated as follows:

10.7.1 Elan may make a bona fide determination of the appropriate proportion of the gross proceeds of such sale applicable to the Legacy Sale by written notice to Amarin at any time up to three (3) business days after Amarin notifies Elan of the total gross proceeds;

10.7.2 If Amarin disagrees with Elan’s determination, Amarin shall provide Elan with written notice to that effect within three (3) business days of Elan’s notice. Amarin’s notice shall state Amarin’s determination of the appropriate proportion;

10.7.3 Thereafter the matter shall be referred to an independent chartered accountant (the “**Expert**”) appointed by Elan and reasonably acceptable to Amarin (or in default of agreement as to the Expert’s identity, within fourteen (14) days, by a judge of the High Court of England). The Expert shall determine which

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determination is closer, and such determination shall prevail in its entirety. The Expert’s costs shall be paid by the party whose estimate is not chosen by the Expert.

The Expert shall act as an expert and not as an arbitrator. The Expert’s decision shall be final and binding except in the case of manifest or clerical error appearing within seven (7) days.”

2.12. Clause 11.1 (The Conversion Option) is amended by the deletion of the date “1 January 2004” and the substitution therefor of the date “1 April 2004”.

### **3. AMENDMENTS TO THE LOAN AGREEMENT**

The Loan Agreement is hereby further amended with effect from the Amendment Date, as follows:

3.1. In Clause 1, the definition of “Master Agreement” is deleted and replaced by the following:

“**Master Agreement**” shall mean that certain Amended and Restated Master Agreement dated 4 August 2003 between Elan Corporation, plc., Elan Pharma, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and Amarin, as amended by that certain Amendment Agreement dated 23 December 2003 between the same parties.”

3.2. The definition of “Permitted Indebtedness” is deleted and replaced by the following:

“**Permitted Indebtedness**” means:

(a) indebtedness arising under the Bridging Loan Agreement between EP Inc and Amarin dated 23 December 2003, which is not yet due;

(b) indebtedness to trade creditors arising in the ordinary course of business; and

(c) indebtedness incurred in association with any refinancing of the Loan.”

### **4. AMENDMENT TO THE PERMAX AGREEMENT**

The Permax Agreement is hereby further amended with effect from the Amendment Date, as follows:

4.1. In Section 1.01, the definition of “Master Agreement” is deleted and replaced by the following:

“**Master Agreement**” shall mean that certain Amended and Restated Master Agreement dated 4 August 2003 between Elan Corporation, plc., Elan Pharma

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International Limited, Elan International Services Limited, Elan, Monksland Holdings B.V. and Amarin, as amended by that certain Amendment Agreement dated 23 December 2003 between the same parties.”

## 5. **AMENDMENTS TO CARRICK AGREEMENTS**

5.1. The Carrick Amendment is hereby amended with effect from the Amendment Date as follows:

5.1.1 by each reference to the “Master Agreement” being deemed to mean the Master Agreement as amended by this Amendment Agreement; and

5.1.2 in Section 3.1.3 (Terms of Repayment) the date “31 December 2003” is amended to read “31<sup>st</sup> March 2004”.

5.2. The Carrick Agreement is hereby amended with effect from the Amendment Date, by the deletion of Article IV, Section 4.01(b)(ii) and the substitution thereof of the following:

“(ii) the balance of Six Million Five Hundred Thousand Dollars (\$6,500,000) (the “Deferred Payment”) in accordance with the provisions of that certain Amendment Agreement between the Seller and the Buyer dated 4 August 2003, as amended by that certain Amendment Agreement between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., the Seller, Monksland Holdings BV and the Buyer dated 23 December 2003.”.

## 6. **LIMITED WAIVER**

Subject to due execution by Amarin of the Bridging Loan Agreement and the certification referred to in Clause 7 being provided by Amarin, Elan hereby waives any right it has or may have had, up to and including the Amendment Date, arising by reason of Amarin’s failure prior to 15 December 2003 to pay the balance of the Proceeds Account to Elan to:

- (a) claim damages or other monetary remedy pursuant to the Master Agreement, the Loan Agreement and/or the Charge; and/or
- (b) declare it an “Event of Default” under the Loan Agreement.

Nothing in this Amendment Agreement is a waiver by Elan of any future breach by Amarin, nor does Elan waive any of these rights if the conditions above are not complied with.

## 7. **REPRESENTATIONS, WARRANTIES AND CERTIFICATE**

7.1. Amarin represents and warrants to Elan that:

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7.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Amendment Agreement, the Bridging Loan Agreement, the Charge Amendment, the Zelapar Letter and any ancillary documents pertaining thereto (together “**Transaction Documents**”), and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

7.1.2 there are no agreements between Amarin and any third party that conflict with the Transaction Documents;

7.1.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

7.1.3.1 approval of its shareholders; or

7.1.3.2 approval of NASDAQ;

7.1.4 as of the date hereof, neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness (as defined in the Loan Agreement);

7.1.5 as of the date hereof and after giving effect to Clause 6:

7.1.5.1 Amarin is not in breach of any agreement between itself on the one hand and Elan Corp or any of its Affiliates on the other; and

7.1.5.2 no Event of Default has occurred as defined in the Loan Agreement;

7.1.6 Amarin is able to pay its debts as they fall due and no Insolvency Event, as defined in the Master Agreement, has occurred.

7.1.7 Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement.

7.2. Immediately after execution of this Agreement, Amarin shall provide to Elan certification from a company officer that each of the warranties in Clause 7.1 is true.

## 8. MISCELLANEOUS

### 8.1. Confidentiality:

Except as provided in or anticipated by this Amendment Agreement, each party shall at all times during the continuance of this Amendment Agreement use its respective best endeavours to keep the contents of this Amendment Agreement confidential and accordingly shall not disclose

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details of the contents of this Amendment Agreement to any other person other than on a confidential basis.

### 8.2. Announcements:

Subject to Clause 8.3, no announcement or public statement concerning the existence, subject matter or any term of this Agreement shall be made by or on behalf of any party hereto without the prior written approval of the other party (Elan Corp in the case of Elan).

The terms of any such announcement shall be agreed in good faith by the parties.

### 8.3. Required Disclosures:

A party (the "**Disclosing Party**") will be entitled to make an announcement or public statement concerning the existence, subject matter or any term of this Amendment Agreement, or to disclose Confidential Information that the Disclosing Party is required to make or disclose pursuant to:

8.3.1 a valid order of a court or Governmental Authority; or

8.3.2 any other requirement of law, regulation or any securities market or stock exchange;

**PROVIDED THAT** if the Disclosing Party becomes legally required to make such announcement, public statement or disclosure hereunder, the Disclosing Party shall give the other party or parties hereto prompt notice of such fact to enable the other party or parties hereto to seek a protective order or other appropriate remedy concerning any such announcement, public statement or disclosure.

The Disclosing Party shall fully co-operate with the other party or parties hereto in connection with that other party's or parties' efforts to obtain any such order or other remedy.

If any such order or other remedy does not fully preclude announcement, public statement or disclosure, the Disclosing Party shall make such announcement, public statement or disclosure only to the extent that the same is legally required.

### 8.4. No Statements on Tax Treatment:

The parties acknowledge that neither has made any statement to the other, or had such a statement made to the other on its behalf, as to the tax consequences that may result for that other as a result of this Amendment Agreement or the transaction constituted by it.

### 8.5. Assignment:

8.5.1 Elan may assign this Amendment Agreement in whole or in part to any lawful assignee of the Original Agreements, as amended by this Amendment Agreement.

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8.5.2 Amarin shall not assign this Amendment Agreement without the prior written consent of Elan.

### 8.6. Parties bound:

This Amendment Agreement shall be binding upon and enure for the benefit of parties hereto, their successors and permitted assigns.

### 8.7. Severability:

If any provision in this Amendment Agreement is deemed to be, or becomes invalid, illegal, void or unenforceable under applicable laws:-

8.7.1 such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable; or

8.7.2 if it cannot be so amended without materially altering the intention of the parties, it will be deleted the validity, legality and enforceability of the remaining provisions of this Amendment Agreement shall not be impaired or affected in any way.

### 8.8. Relationship of the parties:

8.8.1 Nothing contained in this Amendment Agreement is intended or is to be construed to constitute any of the parties hereto as partners or members of a joint venture or any party as an employee of another party.

8.8.2 No party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other party or to bind another party to any contract, agreement or undertaking with any third party.

8.9. Amendments:

No amendment, modification or addition hereto shall be effective or binding on any party hereto unless set forth in writing and executed by a duly authorised representative of all parties hereto.

8.10. Waiver:

No waiver of any right under this Amendment Agreement shall be deemed effective unless contained in a written document signed by the party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this Amendment Agreement.

8.11. Entire agreement:

8.11.1 Each of the parties hereto hereby acknowledges that in entering into this Agreement it has not relied on any representation or warranty except as expressly set forth herein or in any document referred to herein.

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8.11.2 This Amendment Agreement, the Bridging Loan Agreement, the Charge Amendment and the Zelapar Letter together set forth all of the agreements and understandings between the parties with respect to the subject matter hereof, and supersedes and terminates all prior agreements and understandings between the parties with respect to the subject matter hereof, but without prejudice to the Original Agreements except as expressly amended by this Amendment Agreement, the Charge Amendment and/or the Zelapar Letter, or except as expressly stated to any accrued rights or obligations under the Original Agreements. There are no agreements or understandings with respect to the subject matter hereof, either oral or written, between the Parties other than as set forth in this Amendment Agreement, the Bridging Loan Agreement, the Charge Amendment and the Zelapar Letter.

8.11.3 Nothing in this Clause 8.11 shall exclude any liability which any party would otherwise have to the other party or any right which either of them may have to rescind this Agreement in respect of any statements made fraudulently by the other prior to the execution of this Agreement or any rights which either of them may have in respect of fraudulent concealment by the other.

8.12. Governing law and jurisdiction:

8.12.1 Clauses 4 and 5 of this Amendment Agreement shall be governed by and construed in accordance with the law of the State of Delaware, without reference to its conflicts of laws principles.

8.12.2 Subject to the foregoing, this Amendment Agreement shall be governed by and construed in accordance with English law.

8.12.3 For the purposes of this Agreement the parties submit to the jurisdiction of the English courts.

8.13. Notice:

8.13.1 Any notice to be given under this Agreement shall be sent in writing in English by registered or recorded delivery post, reputable overnight courier or fax to:

Elan at

Elan International Services Ltd.  
102 St. James Court  
Flatts,  
Smiths FL04  
Bermuda

Attention: Secretary  
Fax: +1 441 292 2224

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Amarin at

7 Curzon Street  
London  
W1J 5HG  
England

Attention: General Counsel & Company Secretary  
Fax: +44 20 7499 9004

or to such other address(es) and fax numbers as may from time to time be notified by either party to the other hereunder.

8.13.2 Any notice sent by mail shall be deemed to have been delivered within 7 working days after despatch or delivery to the relevant courier and any notice sent by fax shall be deemed to have been delivered upon confirmation of receipt. Notice of change of address shall be effective upon receipt.

8.14. Further assurances:

At the request of any of the parties, the other party or parties shall (and shall use reasonable efforts to procure that any other necessary third parties shall) execute all such documents, and so all such acts and things as may reasonably be required subsequent to the signing of this Amendment Agreement for assuring to or vesting in the requesting party the full benefit of the terms hereof.

8.15. Counterparts:

This Amendment Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Amendment Agreement.

8.16. Contracts (Rights of Third Parties) Act 1999:

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof the parties have executed and delivered this Amendment Agreement as a Deed on the date first above written.

*[Signature Pages: Amendment Agreement]*

The Common Seal of )  
**ELAN CORPORATION, PLC.** )  
was hereunto affixed in the presence of: )

Director

Director / Secretary

The Common Seal of )  
**ELAN PHARMA INTERNATIONAL** )  
**LIMITED** )  
was hereunto affixed in the presence of: )

Director

Director / Secretary

The Common Seal of )  
**ELAN INTERNATIONAL** )  
**SERVICES, LTD.** )  
was hereunto affixed in the presence of: )

Director

Director / Secretary

**EXECUTED** and delivered as a Deed by:  
**ELAN PHARMACEUTICALS, INC.**

\_\_\_\_\_  
Name:  
Title:

**SIGNED** and delivered as a Deed )  
by )  
as attorney for )  
**MONKSLAND HOLDINGS BV** )  
in the presence of: )



EXECUTION COPY

Date: 23 December 2003

AMARIN CORPORATION PLC.  
AND  
ELAN PHARMACEUTICALS, INC.  
  
BRIDGING LOAN AGREEMENT

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THIS BRIDGING LOAN AGREEMENT is made the 23<sup>rd</sup> December 2003

**BETWEEN:**

- (1) **AMARIN CORPORATION PLC**, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG, England ("**Amarin**"); and
- (2) **ELAN PHARMACEUTICALS, INC.**, a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("**Elan**").

The parties agree as follows:

**1. DEFINITIONS AND INTERPRETATION**

1.1. In this Agreement the following terms have the meanings given to them in this Clause 1.1.

"**Affiliate**" means any company or non-corporate entity that controls, is controlled by, or is under common control with a party. An entity shall be regarded as in control of another company or entity if it owns or directly or indirectly controls more than 50 per cent. of the voting rights of the other company or entity.

"**this Agreement**" means this Bridging Loan Agreement.

“**Amendment Agreement**” means the amendment agreement between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan, Monksland Holdings B.V. and Amarin of the same date as this Agreement.

“**Available Facility Amount**” means \$6,000,000 (six million dollars), less:

- (a) such advances referred to in Clause 2.2.1 as are not requested or not granted, provided that this deduction shall only apply on and after the date on which they may have been advanced; and
- (b) such advances referred to in Clause 2.2.1 as are both drawn down by Amarin and repaid to Elan, as from the date of their repayment.

“**Average Outstanding Amount**” shall mean the simple average Relevant Amounts for the applicable period.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London.

“**Charge Amendment**” shall have the same meaning as in the Master Agreement.

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“**Demandable Date**” shall have the same meaning as in the Master Agreement.

“**Elan Agreement(s)**” shall have the same meaning as in the Master Agreement.

“**First Loan Agreement**” means that certain loan agreement dated 28 September 2001 between Amarin and Elan, as varied by (i) a Deed of Variation dated 19 August 2002, (ii) a Deed of Variation No. 2 dated 23 December 2002, (iii) a Deed of Variation No. 3 dated 27 January 2003, (iv) a Deed of Variation No. 4 dated 4 August 2003, and (v) the Amendment Agreement.

“**Group**” means Amarin and its subsidiaries for the time being.

“**LIBOR**” means, in relation to any amount to be advanced to or owing by Amarin under this Agreement on which interest for a given period is to accrue, the percentage rate per annum at which Barclays Bank PLC was offering to prime banks in the London interbank market deposits in dollars for such period at or about 11.00 am on the day on which quotations would ordinarily be given by prime banks in the London interbank market for deposits in dollars for delivery on the first day of that period, **provided that**, if for any such period quotations would ordinarily be given on more than one date, the relevant date shall be the last of those dates.

“**Bridging Loan**” means all amounts drawn down by Amarin under Clause 2.2.

“**Master Agreement**” means that certain Amended and Restated Master Agreement dated 4 August 2003 between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan, Monksland Holdings B.V. and Amarin, as amended by the Amendment Agreement.

“**Relevant Amounts**” shall mean the sum of \$31,500,000 less any sum(s) paid to Elan (or any of its Affiliates) under Clause 7 of the Master Agreement (including for the avoidance of doubt the sum of \$11,102,071 so paid prior to the date of this Agreement), plus the Available Facility Amount.

“**Permitted Indebtedness**” means:

- (a) indebtedness arising under the First Loan Agreement which is not yet due;
- (b) indebtedness to trade creditors arising in the ordinary course of business; and
- (c) indebtedness incurred in association with any refinancing of the Bridging Loan.

1.2. The headings in this Agreement shall not affect its interpretation.

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## 2. **BRIDGING LOAN**

### 2.1. **Grant of the Bridging Loan**

Subject to Clause 2.2, Elan agrees to lend to Amarin the sum of US\$6,000,000 (six million dollars).

### 2.2. **Draw down**

2.2.1 Amarin may request Elan to advance any or all of the following sums:

- 2.2.1.1 US\$2,000,000 (two million dollars) on 1 January 2004;
- 2.2.1.2 US\$2,000,000 (two million dollars) on 1 February 2004;
- 2.2.1.3 US\$2,000,000 (two million dollars) on 1 March 2004.



- 2.2.2 Any such request must:
- 2.2.2.1 be made in writing no less than 7 (seven) Business Days before the applicable date;
  - 2.2.2.2 state the purpose(s) for which Amarin proposes to use the advance in question in reasonable detail;
  - 2.2.2.3 summarise Amarin's cash position as at the date of provision, as anticipated to be at the date of drawdown and for the following three months;
  - 2.2.2.4 provide supporting information so that Elan may reasonably assess the prospect of the Relevant Amounts (together with the Bridging Loan and the proposed advance) being repaid by 31 March 2004; and
  - 2.2.2.5 be accompanied by a certificate from an officer of Amarin attesting to his/her best knowledge and belief, having made diligent enquiry, as to the statements in Schedule 1.
- 2.2.3 If Elan, in its absolute discretion, determines that it is likely that the Outstanding Amounts (including the proposed advance) will be repaid by 31 March 2004, Elan shall, subject to Clause 2.3, advance the applicable sum in US\$ by wire transfer to Amarin's nominated account.
- 2.2.4 In making its determination, Elan agrees to discuss the prospects of Amarin's likely ability to repay with Amarin and its professional advisers, upon reasonable request; but the determination is at Elan's sole discretion. Elan shall not be obliged to provide reasons in the case of such a refusal.
- 2.2.5 Upon each request, Amarin shall be deemed to represent and warrant to Elan that each of the statements in Schedule 1 is correct.

For the avoidance of doubt, this representation and warranty is additional to the officer's certificate referred to in Clause 2.2.2.5.

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Each such representation and warranty shall be deemed repeated upon the making of the actual advance of the sum in question (if any), except to the extent that Amarin fairly qualifies the same by written notice to Elan, before the date of advance. "Fairly" shall for the purposes of this paragraph mean clearly, accurately and in such manner and detail as would enable Elan to make an informed decision as to the matters to which it relates.

### 2.3. Draw Down Stop

- 2.3.1 If:
- (a) there is an Event of Default; or
  - (b) Amarin breaches any representation and/or warranty given in or pursuant to this Agreement -

Elan shall not be obliged to make any further advance to Amarin.

- 2.3.2 Any advance made by Elan in such circumstances will not be deemed a waiver of any of Elan's rights, including the right not to make further advances by reason of the same or similar circumstances.

### 2.4. Interest

No interest shall be payable on the Bridging Loan before 31 March 2004.

Without prejudice to any other right Elan may have under this Agreement, the period subsequent to 31 March 2004 for which any part of the Loan is outstanding shall be divided into successive periods ("**Interest Periods**") each of which (other than the last, which shall end on the day the Loan is repaid) shall be one month in duration and (other than the first, which shall begin on 1 April 2004) shall start on the last day of the preceding such period. The rate of interest on the outstanding amount of the Loan for each Interest Period will be LIBOR plus 5 per cent. per annum. Such interest will accrue from day to day and be calculated on the basis of actual days elapsed and a 365 day year. Such interest shall be payable on demand, or in default of demand in arrears on the last day of each Interest Period. Interest shall be paid in US\$ in immediately available funds without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.

### 2.5. Repayment

The Bridging Loan shall be repaid by Amarin to Elan (or as it may direct) on the earlier of:

- (a) 31 March 2004; and
- (b) written demand by Elan made at any time on or after the Demandable Date -

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in US\$ in immediately available funds, without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.

## 2.6. **Prepayment**

Amarin may prepay the whole amount or part of the Bridging Loan which is outstanding at any time.

Amarin may not pay less than US\$100,000 in any prepayment of only part of the Bridging Loan then outstanding, unless this is required by some other agreement between Amarin and Elan.

## 3. **FACILITY FEES**

3.1. In consideration of Elan entering into this Bridging Loan Agreement, Amarin shall pay to Elan the following further non-refundable fees:

3.1.1 1% (one per cent.) of the Average Outstanding Amount in January 2004;

3.1.2 1% (one per cent.) of the Average Outstanding Amount in February 2004; and

3.1.3 1% (one per cent.) of the Average Outstanding Amount in March 2004 -

(the "**Facility Fees**").

3.2. The Facility Fees shall be payable on the day after the last day of the period they relate to, in US\$ in immediately available funds without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law.

Elan shall be entitled to set off any Facility Fees owing against any amounts to be advanced by Elan under Clause 2.2.

3.3. In the event of a demand for payment by Elan and/or its Affiliates of the Outstanding Amounts on or after the Demandable Date, as each of those expressions is defined in the Master Agreement, during a particular period referred to in Clause 3.1:

3.3.1 the period shall be truncated to the date of demand;

3.3.2 the date for payment shall accordingly be the date of such demand;

3.3.3 the applicable percentage shall be reduced pro rata to the truncation of the period in question; and

3.3.4 no Facility Fees for subsequent periods shall be payable.

3.4. Payment of the Facility Fees shall not be counted towards:

3.4.1 payment of the Bridging Loan;

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3.4.2 payment of any other of the Outstanding Amounts, as defined in the Master Agreement;

3.4.3 payment of the amounts due under Clause 7 of the Master Agreement as amended; nor

3.4.4 payment of the sums of US\$30,000,000 and/or US\$31,500,000 referred to in the Master Agreement and other agreements to which the Master Agreement refers -

or any part thereof.

## 4. **COVENANT AND WARRANTIES**

4.1. Amarin shall ensure that while any part of the Bridging Loan remains outstanding no member of the Group shall incur any indebtedness (whether secured or unsecured) without the prior written consent of Elan other than Permitted Indebtedness.

4.2. Amarin represents and warrants to Elan that:

4.2.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Agreement and to ensure that its obligations under this Agreement are valid, legally binding and enforceable according to their terms, including, without limitation, obtaining all necessary approvals and consents from its shareholders and any third parties;

4.2.2 as at the date hereof no member of the Group has any indebtedness (whether secured or unsecured) outstanding to any third party other than Permitted Indebtedness; and

4.2.3 its payment obligations under this Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

## 5. **EVENTS OF DEFAULT**

Each of Clauses 5.1 to 5.7 below describes circumstances which constitute an event of default ("**Event of Default**") for the purposes of this Agreement.

### 5.1. **Failure to Pay**

Amarin fails to pay on the due date for payment any sum due from it under this Agreement, except where such failure to pay is due solely to a technical or administrative delay and is remedied within 3 Business Days of the due date for payment.

5.2. **Breach of Covenant**

Amarin fails to comply with any of the obligations expressed to be assumed by it under Clause 4 and such failure is not remedied within 10 Business Days of receiving notice of such failure from Elan.

5.3. **Insolvency and Rescheduling**

Amarin is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors (other than Elan and/or any of its Affiliates) with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or composition with its creditors.

5.4. **Winding Up**

Amarin takes any corporate action or other steps are taken or legal proceedings are started for its winding up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets.

5.5. **Execution or Distress**

Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertakings or assets of Amarin or any event occurs which under the laws of any jurisdiction has a similar or analogous effect.

5.6. **Repudiation**

Amarin repudiates this Agreement or evidences an intention to repudiate this Agreement.

5.7. **Default on Other Agreement**

Amarin materially breaches any Elan Agreement, which breach is not remedied within 30 (thirty) days of Elan giving written notice to Amarin of such breach.

5.8. **Acceleration and Cancellation**

Upon the occurrence of an Event of Default, Elan may at any time thereafter by notice to Amarin, declare the Bridging Loan to be immediately due and payable or declare the Bridging Loan to be due and payable on demand of Elan. If Elan declares the Bridging Loan due and payable on demand of Elan, then at any time thereafter, Elan may by notice to Amarin require payment of the Bridging Loan on such date as it may specify in such notice or withdraw its declaration with effect from such date as it may specify.

6. **CHARGE COVERS BRIDGING LOAN**

The parties hereby acknowledge that it is their intention that all monies owing under this Agreement are subject to the Debenture between Amarin and Elan Corporation, plc. as trustee, dated 4 August 2003, as amended by the Charge Amendment.

7. **TAXES**

7.1. If Amarin is required by law to pay or withhold any income or other taxes on behalf of Elan with respect to any monies payable to Elan under this Agreement:

7.1.1 Amarin shall deduct them from the amount of such monies due;

7.1.2 any such tax required to be paid or withheld shall be an expense of and borne solely by Elan, but without prejudice to Clause 7.3;

7.1.3 Amarin shall promptly provide Elan with a certificate or other documentary evidence to enable Elan to support a claim for a refund or a foreign tax credit.

7.2. Elan and Amarin agree to co-operate in all respects necessary to take advantage of any double taxation agreements or similar agreements as may, from time to time, be available in order to enable Amarin to make such payments to Elan without any deduction or withholding.

7.3. If Amarin is obliged to make a deduction or withholding on account of tax, Amarin shall pay to Elan an additional amount so as to ensure that, after making required deductions or withholding and giving effect to any tax credit arising therefrom from which Elan actually benefits, Elan receives the same net amount as if no deduction or withholding had been made or required to be made.

8. **FURTHER ASSURANCE**

Each party shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement.

## 9. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

## 10. GENERAL

- 10.1. A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each party.
- 10.2. A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

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- 10.3. If any provision in this Agreement is deemed to be invalid, illegal, void or unenforceable under any law that is applicable hereto:
- 10.3.1 such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable; or
- 10.3.2 if it cannot be so amended without materially altering the intention of the parties, it will be deleted, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not be impaired or affected in any way.
- 10.4. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 11. ASSIGNMENT

- 11.1. Elan may, at any time, assign all or any of its rights hereunder.
- 11.2. Amarin may not assign any of its rights or obligations hereunder.

## 12. NOTICES

- 12.1. A notice under or in connection with this Agreement (a "**Notice**"):
- 12.1.1 shall be in writing;
- 12.1.2 shall be in the English language; and
- 12.1.3 may be delivered personally or sent by first class post (and air mail if overseas) or by fax to the party due to receive the Notice at its address set out below:
- 12.2. The address referred to in Clause 12.1.3 is:
- 12.2.1 in the case of Amarin Corporation Plc:
- Address: 7 Curzon Street, London, W1J 5HG
- Fax: +44 20 7499 9004
- Marked for the attention of : President
- 12.2.2 in the case of Elan Pharmaceuticals, Inc.:
- Address: 800 Gateway Blvd., South San Francisco, CA 94080
- Fax: +1 650 553-7143

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Marked for the attention of : General Counsel

with a copy (which shall not constitute notice) to:

Elan Corporation, plc.

Address: Lincoln House, Lincoln Place, Dublin 2, Ireland

Fax: +353 1 709 4124

- 12.3. Notice is deemed given:
- 12.3.1 if delivered personally, when the person delivering the notice obtains the signature of a person at the address referred to in Clause 12.1.3;
  - 12.3.2 if sent by post, except air mail, two Business Days after posting it;
  - 12.3.3 if sent by air mail, six Business Days after posting it;
  - 12.3.4 if sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine.

**13. GOVERNING LAW, JURISDICTION**

- 13.1. This Agreement is governed by and shall be construed in accordance with the laws of England
- 13.2. The courts of England shall have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (a "**Dispute**").
- 13.3. The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute, and accordingly, that they will not argue to the contrary.

IN WITNESS whereof the parties have executed this Amendment Agreement on the date first above written.

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**SCHEDULE 1 STATEMENTS SUPPORTING REQUEST**

- 1) Amarin has the right, power, capacity and authority to make the request.
- 2) Amarin does not require any further consents or approvals to make the request, draw down the advance, or consummate the transaction contemplated by this Agreement.
- 3) Without prejudice to the generality of the foregoing, Amarin does not require the approval of its shareholders or approval of NASDAQ to make the request, draw down the advance or consummate the transaction contemplated by this Agreement.
- 4) Neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness;
- 5) Amarin is not in breach of any agreement between itself on the one hand and Elan Corporation, plc. or any of its Affiliates on the other.
- 6) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might have a material adverse effect on its ability to perform its obligations hereunder.
- 7) No Event of Default has occurred as defined in this Agreement or the Loan Agreement, or might reasonably be expected to result from the making of the requested advance or any utilisation thereof.
- 8) No third party has threatened legal proceedings for Amarin's winding up, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of Amarin or of any or all of Amarin's revenues and assets.
- 9) No third party has threatened the levying of any execution or distress against, or an encumbrancer taking possession of, the whole or any part of, the property, undertakings or assets of Amarin or any event which under the laws of any jurisdiction has a similar or analogous effect.
- 10) Amarin is able to pay its debts as they fall due.
- 11) No Insolvency Event, as defined in the Master Agreement, has occurred.
- 12) Amarin is not, to its best knowledge, having made diligent enquiry, in breach of any obligation under the Lilly Agreement.
- 13) The information supplied in support of the request for an advance, and in support of each previous request, is accurate in all respects and not misleading, including by reason of other information which is not supplied.

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- 14) Insofar as such information supplied consists of opinions and/or of predictions as to the future, such opinions and/or predictions are made in good faith and based on rational grounds, taking into account all relevant facts; and accurately represent the opinions and/or predictions of Amarin's Board of Directors.
- 15) The person signing the officer's certificate attesting as to these statements is duly authorised by Amarin's Board of Directors to do so.

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**SIGNED**

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For and on behalf of  
**ELAN PHARMACEUTICALS, INC.**

**SIGNED**

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For and on behalf of  
**AMARIN CORPORATION PLC.**

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Attn: Mr. R. Stewart  
 Chief Executive Officer  
 Amarin Corporation plc  
 7 Curzon Street  
 London W1J 5HG  
 England

23 December 2003

Dear Rick

**Zelapar™**

**Amended and Restated Option Agreement between Elan Pharma International Limited (“Elan”) and Amarin Corporation plc. (“Amarin”), 4 August 2003 (the “Zelapar Agreement”)**

This letter sets out the terms on which Elan and Amarin have agreed to amend the Zelapar Agreement and to conduct their respective business in relation to Zelapar (the “Product”).

**1. Interpretation**

In this letter:

- 1.1. “**Amarin Development Period**” shall have the meaning in Clause 5 of this letter.
- 1.2. “**Amendment Date**” shall mean 23 December 2003.
- 1.3. Other expressions used shall have the same meaning as in the Zelapar Agreement, and this letter is to be interpreted in the same manner as the Zelapar Agreement.
- 1.4. Except as expressly stated, references to section numbers are to those of the Zelapar Agreement.

**2. Amendments To The Zelapar Agreement**

The Zelapar Agreement is hereby amended with effect from the Amendment Date, as follows:

- 2.1. Each reference to the “Master Agreement” is deemed to mean the Master Agreement as amended by the Amendment Agreement between Elan Corporation, plc., Elan, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings BV and Amarin made on the Amendment Date.
- 2.2. The following new Section 1.1.4A is inserted:

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“1.1.4A           **“Letter Agreement”** shall mean the letter agreement between Elan and Amarin relating to the Product, dated 23 December 2003.”

- 2.3. Section 3.2 (Option Period) is deleted and the following substituted therefor:

“3.2   Option Period. The “**Option Period**” shall mean the period commencing on the date of this Agreement and ending on the sooner of:

- (a) the date on which Elan or any of its Affiliates which are a party to the Master Agreement have received a total between them of:
  - (i) US\$30,000,000 (thirty million dollars) if before 31 December 2003; or
  - (ii) US\$31,500,000 (thirty one million five hundred thousand dollars) if thereafter —

pursuant to Clauses 7 and 8 of the Master Agreement or otherwise expressed to be in discharge of the Outstanding Amounts (as defined in the Master Agreement);and

- (b) 31 March 2004.”

- 2.4. Each of Sections 3.5 (Pursuit of New Drug Application), 4.3 (Project Team) and 4.4 (Expenses) is amended by the insertion immediately after their respective caption of the words:

“Subject to the Letter Agreement, “

- 2.5. Section 4.2 is amended by the insertion at the end of the following sentence:

“Each provision of this Section 4.2 is subject to any contrary provision of the Letter Agreement.”

- 2.6. Section 4.5(a) is amended by the deletion of the words “Out Of Pocket Expenses of Elan” and the substitution therefor of the words “Out Of Pocket Costs of Elan”, it being acknowledged that the existing language was a typographical error.

- 2.7. In Section 8.2 (Termination), the date “31 December 2003” is amended to read “31 March 2004”.

2.8. Section 10.3 (Assignment) is deleted in its entirety and the following substituted therefor:

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“10.3 Assignment. Subject to Elan’s rights of termination in Section 8.4 and Section 9, neither party shall assign its rights or obligations under the Agreement without the prior written consent of the other party hereto; provided, however, that:

- 10.3.1 Elan may, without such consent, assign the Agreement and its rights and obligations hereunder to an affiliate or in connection with the sale of substantially all of its assets or business relating to the Product (without prejudice to any other right to assign specific rights hereunder;
- 10.3.2 either party may, without such consent, assign the Agreement and its rights and obligations hereunder in connection with its merger or consolidation or change in control or similar transaction (again subject to Elan’s right in the event of an Amarin Change of Control); and
- 10.3.3 Amarin may not assign the Agreement on a sale of substantially all of its assets or business, but in such circumstances, at Amarin’s option, Elan may enter into good faith negotiations with the intended purchaser with a view to the Assignment Agreement being executed in favour of such purchaser. In such circumstances, the milestone payment referred to in Section 7.1 shall be payable in cash instead of ordinary shares, and the other terms of the Assignment Agreement shall be determined in accordance with Section 3.1.

Provided further in each case that any permitted assignee assumes in writing all obligations of its assignor under this Agreement, and that any assignment is subject to the Scherer Agreement and any consent that may be required thereunder.”

### **3. Amarin To Conduct Development**

During the Amarin Development Period:

- 3.1. As between Elan and Amarin, Amarin shall be solely responsible for the further development of the Product.
- 3.2. Amarin shall use Commercially Reasonable Efforts to diligently pursue the preparation, submission, acceptance for filing and substantive review, and approval of an NDA for the Product with the FDA, including interaction with the FDA.

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- 3.3. To the extent that Elan’s obligations in respect of the development of the Product pursuant to the Scherer Agreement exceed those of Amarin under the Zelapar Agreement and this letter, Amarin shall on Elan’s behalf do such acts and exercise such diligence as is required by the Scherer Agreement.
  - 3.4. No meetings of the Steering Committee shall take place.
  - 3.5. The Plan may be amended by Amarin with Elan’s consent, which shall not be unreasonably withheld. For the avoidance of doubt, Amarin will perform and manage the day to day execution and operations of the Plan.
  - 3.6. Amarin will keep Elan reasonably apprised of its activities in relation to the Product. Amarin will provide to Elan all materials provided to Amarin’s Project Team for Zelapar.
  - 3.7. All development work in relation to the Product shall be at Amarin’s sole cost and expense.

### **4. Exclusions**

Notwithstanding Clause 3 of this letter, Amarin shall not:

- 4.1. commence any clinical study; or
- 4.2. enter into any binding commitment pursuant to which Elan may, by reason of law and/or good ethical practice, become compelled to honor any part of such commitment after the Amarin Development Period —

without the prior written consent of Elan.

### **5. Amarin Development Period**

- 5.1. The Amarin Development Period shall begin on 1 January 2004 and end on 31 January 2004.
  - 5.2. The Amarin Development Period shall be automatically extended to 29 February 2004 and 31 March 2004 unless either Amarin or Elan give written notice not less than three (3) business days before each such date to the contrary. The Amarin Development Period shall not be extended beyond 31 March 2004.
  - 5.3. Notwithstanding Clauses 5.1 and 5.2 of this letter, the Amarin Development Period shall automatically terminate on the termination of the Option, and no extensions shall apply.
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5.4. Following the end of the Amarin Development Period, the parties shall revert to their status as it would have been under the Zelapar Agreement as amended by Clause 2 of this letter.

**6. Warranties, Indemnities and Liability**

6.1. Amarin represents and warrants to Elan that:

6.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this letter and any ancillary documents pertaining thereto (together "**Transaction Documents**"), and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

6.1.2 there are no agreements between Amarin and any third party that conflict with the Transaction Documents;

6.1.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

6.1.3.1 approval of its shareholders; or

6.1.3.2 approval of NASDAQ.

6.2. Default by Amarin under any of the provisions of this letter shall be deemed a default under the Zelapar Agreement and shall have the consequences set out in the Zelapar Agreement.

6.3. Amarin and Elan shall indemnify and hold harmless the other from and against all costs, claims, loss, damage and expense incurred or arising out of any breach by the indemnifying party of its obligations under this letter or negligence after the Amendment Date. Without prejudice to the generality of the foregoing, Amarin shall indemnify and hold harmless Elan against all such costs, claims, loss, damage and expense by reason of any default of Elan under the Scherer Agreement to the extent attributable to Amarin's default or negligence after the Amendment Date.

6.4. Amarin acknowledges that as of the Amendment Date, it is not aware of any breach by Elan of the Zelapar Agreement. Each extension of the Amarin Development Period shall be deemed an acknowledgement by Amarin as of the last day on which Amarin could give notice not to extend the Amarin Development Period, that it is not

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aware of any breach by Elan of the Zelapar Agreement including any breach of the provisions of this letter.

**7. Miscellaneous Provisions**

7.1. Assignment:

7.1.1 Elan may assign its rights and obligations under this letter to a valid assignee of the Zelapar Agreement.

7.1.2 Amarin may not assign its rights or obligations under this letter, but without prejudice to the amendments to the Zelapar Agreement effected by Clause 2 of this letter.

7.2. Scherer Consent:

To the extent that the consent of RP Scherer Corporation may be needed to this letter, and/or to effect the transaction hereby contemplated, the parties shall reasonably cooperate with each other with a view to securing such consent and further (at Elan's option) Amarin shall use its best efforts to secure such consent.

7.3. Application of Provisions:

Sections 5 (Confidentiality) and 10 (Miscellaneous) of the Zelapar Agreement shall apply to this letter *mutatis mutandis*.

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Please have a duplicate of this letter executed by a duly authorised representative of Amarin to indicate that you are in agreement with the proposed terms.

Yours sincerely

Duly authorised for and on behalf of  
**Elan Pharma International Limited**

Accepted and agreed to by:

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Duly authorised for and on behalf of  
**Amarin Corporation plc.**

Name: \_\_\_\_\_

Date: \_\_\_\_\_

*[Signature Page to Zelapar Letter]*

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CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE SECURITIES AND EXCHANGE COMMISSION. SUCH PORTIONS HAVE BEEN REDACTED AND BRACKETED IN THE REQUEST AND APPEAR AS [\*] IN THE TEXT OF THIS EXHIBIT. THE OMITTED CONFIDENTIAL INFORMATION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

## INVENTORY BUY BACK AGREEMENT

**DATE:**

**PARTIES:**

1. **AMARIN CORPORATION PLC**, a company registered in England No. whose registered office is at 7 Curzon Street, Mayfair, London, W1J 5HG (“**Amarin**”);
2. **SWIFTWATER GROUP LLC**, a Limited Liability Company organized under the laws of the state of New York whose principal place of business is situated at 118 Middle Patent Road, Bedford NY 10506 (“**PROJECT MANAGER**”)

**RECITALS:**

- A. **Amarin** is engaged in the business of (inter alia) the development of pharmaceutical products, and **PROJECT MANAGER** is engaged in the business (inter alia) of advising on commercial and scientific issues arising in respect of the pharmaceutical industry.
- B. **PROJECT MANAGER** is willing and **Amarin** desires **PROJECT MANAGER** to provide certain services relating to the purchase of certain inventory from wholesalers in the US in furtherance of **Amarin**’s contractual obligations set out in Clause 11.3 (as amended) of the Asset Purchase Agreement dated 11<sup>th</sup> February 2004 made between Valeant Pharmaceuticals International (“**VPI**”), **Amarin** and **Amarin Pharmaceuticals Company Limited** (the “**Main Agreement**”).

**Operative Provisions:**

### 1 THE SERVICES

- 1.1 **PROJECT MANAGER** shall perform the services described in Schedule 1 to this Agreement with reasonable care and skill in such manner as is directed by **Amarin** from time to time (the “**Services**”).
- 1.2 **PROJECT MANAGER** acknowledges that time shall be of the essence in relation to the provision of the **Services**.
- 1.3 In the event that **Amarin** requires for any reason to add to or vary the scope of the **Services** it shall notify **PROJECT MANAGER** in writing to that effect and **PROJECT MANAGER** shall within seven days of receipt of such notice submit its proposals, including revised costings and timelines, as appropriate, for the performance of such **Services**. If acceptable to **Amarin**, the parties shall amend Schedule 1 to this Agreement accordingly.
- 1.4 In performing the **Services**, **PROJECT MANAGER** shall comply with and procure compliance with all written and oral instructions of **Amarin**,

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provided further that instructions given orally are subsequently confirmed in writing.

- 1.5 **PROJECT MANAGER** shall perform the **Services** with reasonable care and skill and shall use its best efforts to ensure that personnel engaged by it in the provision of the **Services** are competent and have appropriate professional qualifications, training and experience.
- 1.6 Each party shall from time to time by notice to the other nominate (a) representative(s) for primary liaison relating to the **Services**, which from the date of this Agreement shall be as follows:

For <b>Amarin</b> :	<b>Rick Stewart</b> <b>CEO</b>
For <b>PROJECT MANAGER</b> :	<b>Scott Evangelista</b> <b>Managing Partner</b>

- 1.7 **PROJECT MANAGER** agrees that all personnel performing the **Services** shall be employees or sub-contractors of **PROJECT MANAGER**, and that nothing in this Agreement shall be deemed to create a contract of employment between **Amarin** and any employee or sub-contractor of **PROJECT MANAGER**.
- 1.8 **Amarin** agrees to provide in good time to **PROJECT MANAGER** all advice and information reasonably necessary for the performance of the **Services** in accordance with this Agreement.
- 1.9 **PROJECT MANAGER** agrees (provided **Amarin** has given it adequate notice in advance) to allow **Amarin** to attend the site(s) where the **Services** are being conducted for the purpose of monitoring and reviewing the performance of the **Services** and to give **Amarin** its full co-operation in this regard.

### 2 FEE AND PAYMENT

- 2.1 In consideration of the provision of the Services, **Amarin** shall pay to **PROJECT MANAGER** such sums as are set out in Schedule 1 (the "Fee").
- 2.2 **Amarin** shall in addition reimburse **PROJECT MANAGER** for reasonable travel and other out-of-pocket expenses properly and necessarily incurred in the performance of the Services as set out in Schedule 1 (the "Expenses"), provided that **PROJECT MANAGER** produces copy invoices or other substantiating documentation and, in the case of any individual item of expenditure exceeding the sum of \$1,500.00, **Amarin**'s prior written approval has been given.
- 2.3 **PROJECT MANAGER** shall render invoices in respect of instalments of the Fee, when payable, and monthly invoices in arrears in respect of the

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Expenses. Payment shall be due before the end of the calendar month following that in which the invoice is raised.

- 2.4 Payments made in respect of the Fee and Expenses shall be without deduction in respect of taxes imposed in relation to the provision of the Services, for which **PROJECT MANAGER** shall be entirely responsible.

### 3 CONFIDENTIALITY

- 3.1 During the term of this Agreement and for a period of 5 years thereafter **PROJECT MANAGER** undertakes to maintain confidentiality and to use its best reasonable efforts to procure that confidentiality is maintained in relation to all information and materials disclosed directly or indirectly by **Amarin** to **PROJECT MANAGER** or generated by or on behalf of **PROJECT MANAGER** in relation to the performance of the Services, this Agreement and **Amarin**'s business (the "Confidential Information"). The Confidential Information shall not, without **Amarin**'s prior written consent, be disclosed to or used by any person, other than representatives of **Amarin** and /or VPI, or such of **PROJECT MANAGER**'s employees and sub-contractors who reasonably require access to it and use of it for the purpose of carrying out **PROJECT MANAGER**'s rights and obligations under this Agreement, and who have a legal obligation to **PROJECT MANAGER** to protect the confidentiality of the Confidential Information on terms no less onerous than asset out in out in this Agreement.
- 3.2 The obligations of confidentiality set out in this Clause shall not apply to any Confidential Information which:
- 3.2.1 is in the public domain or subsequently comes into the public domain through no fault of **PROJECT MANAGER**, its employees or sub-contractors;
- 3.2.2 **PROJECT MANAGER** can prove by documentary evidence is legitimately in its possession at the date of its disclosure or which subsequently comes into its possession (without being subject to any obligation of confidentiality to **Amarin**); or
- 3.2.3 is directed to be disclosed by law or at the request of a governmental authority, but only to the extent that such disclosure has been so directed or requested and provided that **Amarin** has been given sufficient advance notice of any such proposed disclosure in order to enable it to take appropriate measures to protect the confidentiality of the Confidential Information.
- 3.3 **PROJECT MANAGER** shall procure that sub-contractors engaged in performing the Services enter into a confidentiality agreement with **PROJECT MANAGER** in substantially the form set out in draft at Schedule 2.

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### 4 TERM AND TERMINATION

- 4.1 This Agreement shall be effective from the date given above and shall remain in force (subject to earlier termination pursuant to this Clause) until the completion of the Services.
- 4.2 **Amarin** may terminate this Agreement on no less than fourteen (14) day's notice to **PROJECT MANAGER**.
- 4.3 Either party shall be entitled forthwith to terminate this Agreement by notice to the other if:
- 4.3.1 that other party commits any material breach of any of the provisions of this Agreement and, in the case where the breach is capable of remedy, fails to remedy the same within thirty (30) days of receipt of notice from the party seeking to terminate, specifying the breach and requiring it to be remedied; or
- 4.3.2 the other party compounds or makes arrangements with its creditors or is adjudged insolvent or goes into liquidation (other than for the purposes of a bona fide reconstruction) or has a receiver appointed over most of its property or assets or any event occurs in any jurisdiction in relation to that party which is analogous to the foregoing events.
- 4.4 The exercise of the rights to terminate this Agreement given by this Clause shall not prejudice legal rights or remedies either party may have against the other in respect of any breach of the terms of this Agreement.
- 4.5 The provisions of Clauses 3, 5, 6 and 8 shall continue in force in accordance with their respective terms notwithstanding expiry or termination for any reason of this Agreement.

### 5 POST TERMINATION CONSEQUENCES

- 5.1 In the event of termination for any reason of this Agreement pursuant to Clause 5 above the parties shall promptly meet in good faith to discuss and endeavour to agree on the steps required to effect an orderly closure of all outstanding Services.
- 5.2 In the event of termination of this Agreement, **Amarin** shall pay to **PROJECT MANAGER** all amounts all amounts due to the **PROJECT MANAGER** through to the date of termination based on actual days worked to date, together with any third party costs reasonably and necessarily incurred or committed up to the date of termination.
- 5.3 In the event of expiry or termination for any reason of this Agreement **PROJECT MANAGER** shall promptly return to **Amarin** at **PROJECT**

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**Manager's** expense all Confidential Information and other materials provided to **PROJECT MANAGER** or generated by the provision of the Services.

## 6 INDEMNITIES AND LIABILITY

- 6.1 **PROJECT MANAGER** agrees to indemnify and hold harmless **Amarin** from and against any third party costs, claims (including reasonable legal costs) suffered or incurred by **Amarin** and arising as a result of **PROJECT MANAGER'S** material breach of the terms hereof or gross negligence in the performance of its rights and obligations under this Agreement by the **PROJECT MANAGER** or any third party engaged on its behalf to provide any services hereunder.
- 6.2 **Amarin** agrees to indemnify and hold harmless **PROJECT MANAGER** from and against any third party costs, claims (including reasonable legal costs) suffered or incurred by **PROJECT MANAGER** and arising as a result of **Amarin's** material breach of the terms hereof or gross negligence in the performance of its rights and obligations under this Agreement by the **Amarin**.
- 6.3 Neither party shall be liable for delay in performing or failure to perform obligations under this Agreement if such delay or failure results from circumstances outside its reasonable control (including, without limitation, any act of God, governmental action, accident, strike, lock-out or other form of industrial action) promptly notified to the other party ("Force Majeure"). An incident of Force Majeure shall not constitute a breach of this Agreement and the time for performance shall be extended accordingly; however, if it persists for more than thirty (30) days:
- 6.3.1 the parties may enter into discussions with a view to alleviating its affects and, if possible, agreeing on such alternative arrangements as may be reasonable in all of the circumstances; or
- 6.3.2 the party not in default may forthwith on notice to the other party terminate this Agreement and the provisions of Clause 5.1 shall apply.

## 7 PUBLICITY

Except as may be required by law, **PROJECT MANAGER** may not without **Amarin's** express prior written consent publicise or otherwise disclose the existence or nature of this Agreement or the Services to any third party.

## 8 NOTICES AND SERVICE OF LEGAL PROCESS

Any notice given under this Agreement shall be in writing and delivered or sent by registered or recorded delivery post or facsimile (facsimile notice to be confirmed by letter posted within 12 hours of transmission) to the address of the other party as set out above (or such other address as may have been notified in writing to the other party), and any such notice shall be deemed to have been served at the time of delivery (if delivered) or upon the

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expiration of 48 hours after posting (if sent by post) or upon the expiration of 12 hours after transmission.

## 9 ASSIGNMENT

**PROJECT MANAGER** may not without the prior written consent of **Amarin** assign, transfer or sub-contract all or any of its rights and obligations under this Agreement, such consent not to be unreasonably withheld.

## 10 OTHER PROVISIONS

- 10.1 No variation to the terms of this Agreement shall be effective unless in writing and signed on behalf of each party by a director or other authorised person.
- 10.2 If any term or provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, the other provisions of this Agreement and the remainder of the affected provision shall continue to be valid.
- 10.3 Failure by either party on one or more occasions to avail itself of a right conferred by this Agreement shall not be construed as a waiver of such party's right to enforce such right or any other right.
- 10.4 The Schedules to this Agreement form part of and shall be deemed to be incorporated in this Agreement.

- 10.5 This Agreement contains the whole agreement between the parties and supersedes all previous agreements and understandings between the parties with respect to the subject matter of this Agreement.
- 10.6 Each party acknowledges that, in entering into this Agreement, it does not do so on the basis of and does not rely on any representation or warranty (whether made orally or in writing) except as expressly provided in this Agreement.
- 10.7 **PROJECT MANAGER** shall perform the Services as an independent contractor. This Agreement does not confer or imply any authority on **PROJECT MANAGER** to bind **Amarin** nor does it indicate the existence of any partnership or joint venture between the parties.

## 11 LAW

This Agreement and the obligations of the parties shall be governed by and construed in accordance with the laws of and subject to the jurisdiction of the courts of the State of California.

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**IN WITNESS WHEREOF** this agreement has been signed on behalf of the parties hereto the day and year first above written.

Signed by  
for and on behalf of  
**SWIFTWATER GROUP LLC,**

Signed by  
for and on behalf of  
**AMARIN CORPORATION PLC**

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## SCHEDULE 1

### THE SERVICES

#### 1. General

The **Project Manager** shall provide the following services (through Mr Scott Evangelista or such other person who is suitably qualified and is agreed to by Amarin (such agreement not to be unreasonably withheld or delayed)) for and on behalf of **Amarin** and as instructed by **Amarin** from time to time:

- 1.1 day to day management of the inventory buy-back so as to maximise efficiencies and so as to ensure compliance with the Clause 11.3 of the Main Agreement by **Amarin** in a timely fashion;
- 1.2 management of and contracting with sub-contractors;
- 1.3 co-ordination with all relevant stakeholders, to include **Amarin**, VPI and sub-Contractors;
- 1.4 bi- weekly written updates to **Amarin** as to the progress of the inventory buy-back;
- 1.5 all services as are reasonably ancilliary to any service provided pursuant to this Schedule 1.

#### 2. Specific

Without prejudice to the generality of the foregoing the **PROJECT MANAGER** shall provide the following services (though Mr Scott Evangelista or such other person who is suitably qualified and is agreed to by Amarin (such agreement not to be unreasonably withheld or delayed)) for and on behalf of **Amarin** and as instructed by **Amarin** from time to time:

- 2.1 As promptly as reasonably practicable after the execution and delivery of this Agreement, **PROJECT MANAGER** shall use best efforts to enter into inventory repurchase agreements (the "Repurchase Agreements") with each of Quality King Health Care, Cardinal Distribution, Amerisource Bergen and McKesson Drug Company (collectively, the "Key Wholesalers") providing for the repurchase by **PROJECT MANAGER** at its own cost of certain inventory held by such distributors up to a level of Nine Million Three Hundred Thousand Dollars (\$9,300,000) less all anticipated costs and expenses arising out of the repurchase and destruction of such inventory ( to include, without limitation, all costs and expenses arising hereunder). The Repurchase Agreements shall be reasonably acceptable to **Amarin**. Under the Repurchase Agreements, **PROJECT MANAGER** shall seek to repurchase the quantities of inventory set forth in Schedule 3 hereto (the "Designated Inventory") at the prices indicated therein; provided, however, PROJECT

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**MANAGER** may with **Amarin's** consent repurchase any portion of the Designated Inventory at prices exceeding those set forth in Schedule 3, up to a maximum of 10% above the scheduled prices. To the extent **PROJECT MANAGER** effects any repurchases at a price higher than that set forth in Schedule .3, the quantity of Designated Inventory that **PROJECT MANAGER** shall seek to repurchase from the relevant Key Wholesaler(s) (as set forth on Schedule 3) will be proportionately reduced. Each of the Repurchase Agreements.

- 2.2 **Amarin** shall upon (i) production of written evidence that buy-back terms have been discussed and agreed in-principle with the Key Wholesalers; and (ii) upon **Amarin** having received written confirmation from VPI that any such payment shall be credited against its obligations to buy-back inventory in the Main Agreement, fund a wire transfer to **PROJECT MANAGER** to the sum of Nine Million Three Hundred Thousand Dollars (\$9,300,000) and **PROJECT MANAGER** shall upon receipt of such sum (i) Pay for repurchased inventory directly and (ii) the **PROJECT MANAGER** shall use its best efforts to cause any or all repurchased inventory to be destroyed.
- 2.3 **PROJECT MANAGER** will deliver as soon as practical a final reconciliation of all funds.
- 2.4 In the event of (i) Successful Completion of the Zelapar R&D Studies (as defined in the Main Agreement); (i) production of written evidence that buy-back terms have been discussed and agreed in-principle with the Key Wholesalers; and (ii) upon **Amarin** having received written confirmation from VPI that any such payment shall be credited against its obligations to buy-back inventory in the Main Agreement, and only then, **Amarin** shall fund a wire transfer to the **PROJECT MANAGER** for an additional Four Hundred Fourteen Thousand Dollars (\$414,000) to be used for the purchase of inventory in accordance with Section 11.3(a) and **PROJECT MANAGER** shall upon receipt of such sum (i) pay for repurchased inventory directly and (ii) the **PROJECT MANAGER** shall use its best efforts to cause any or all repurchased inventory to be destroyed.
- 2.5 Notwithstanding anything herein to the contrary, in no event shall **Amarin** be required to pay more than Nine Million Seven Hundred Fourteen Thousand Dollars (\$9,714,000) in performing its obligations hereunder which limitation shall apply to all costs and expenses incurred by **Amarin** hereunder or in reimbursing the **PROJECT MANAGER** for effecting the repurchase of Designated Inventory including the costs of repurchase and costs hereunder, any administrative fees, third party costs including fees and expenses of any repurchasing agent, and costs of destroying repurchased inventory.

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### 3. The Fee

It is understood that the **PROJECT MANAGER'S** Fee shall be met by VPI and accordingly that no Fee is payable hereunder provided that the inventory buy back is completed by the end of March 2004.

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## SCHEDULE 2

### Confidentiality Agreement for Sub-Contractors

[ ]

Dear Sirs,

1. We recognise that in the course of our dealings with [**PROJECT MANAGER**] ("the Company"), we may have access to or be provided with certain confidential information relating to the business of the Company and **Amarin Corporation plc** ("**Amarin**"). This confidential information includes all information (whether written, oral, or in any other medium), data, documentation, drawings, designs, copyright materials and other materials relating to the Company's business and **Amarin's** business ("the Information").
2. We agree that the Information belongs to **Amarin**. We will return the Information to the Company immediately on completion of our dealings with the Company or at any time on its request.
3. We agree that we will treat the Information as strictly confidential and will not disclose it to any person without first obtaining the Company's written consent. We understand that the Information may, however, be disclosed to other employees in this organisation, if they need to know or have access to it to carry out their work properly for the Company. We will take all reasonable steps to ensure that such employees treat the Information as strictly confidential in accordance with this agreement.
4. We agree that we will not make use of the Information or allow it to be made use of for any purpose other than as may be necessary for us to carry out work properly for the Company.
5. We agree that we will not examine, handle, deal with, photograph, copy or take away from Company premises any part of the Information, except to the extent that it is strictly necessary for us to do so to enable us to carry out work for the Company.
6. This Agreement does not apply to Information which is in or which comes into the public domain otherwise than as a result of (a) a breach of this agreement by us or any person to whom disclosure of Information under paragraph 3. is permitted or (b) a breach of any other duty of confidentiality relating to the Information.

Signed for and on behalf of:

\_\_\_\_\_

[ ]

\_\_\_\_\_

Name:

\_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 3**

Designated Inventory

Wholesaler		Units	WAC / Purchase Price	Acquisition cost	Service fee	Total Cost
QK	Phrenilin 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Phrenilin 500's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Phrenilin Forte 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Phrenilin Forte 500's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Permax 0.05mg 30's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Permax 0.25mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Permax 0.25mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Permax 1mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Bontril PDM 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Bontril PDM 1000's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Bontril SR 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
QK	Nolahist 24's	[*]	[*]	\$ [*]	[*]%	\$ [*]
McKesson 1-4-04	Permax 0.05mg 30's	[*]	[*]	\$ [*]	[*]%	\$ [*]
McKesson 1-4-04	Permax 0.25mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
McKesson 1-4-04	Permax 1.0mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Bergen 12/23/03	Permax 0.05mg 30's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Bergen 12/23/03	Permax 0.25mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Bergen 12/23/03	Permax 1.0mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Cardinal	Permax 0.05mg 30's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Cardinal	Permax 0.25mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Cardinal	Permax 1.0mg 100's	[*]	[*]	\$ [*]	[*]%	\$ [*]
Total Acquisition						
Cost						\$ [*]
Freight						\$ [*]
Total Disposal						
Cost						\$ [*]
Total Cost						\$ [*]

Note: The total quantity purchased will vary as a function of the available product and negotiated price within individual accounts



SUBSIDIARIES OF AMARIN CORPORATION PLC

SUBSIDIARY NAME	COUNTRY OF INCORPORATION
Amarin Pharmaceuticals Company Limited	England

**AMARINCORPORATION PLC**  
**CODE OF BUSINESS CONDUCT & ETHICS**

This Code of Business Conduct and Ethics (the “Code”) has been approved by the Board of Directors of Amarin Corporation plc (“Amarin”). It describes the ethics that should guide business conduct in Amarin and its subsidiaries (together the “Amarin Group”).

This Code is applicable to all employees and individuals working in any executive capacity for Amarin or any of its subsidiaries (an “Executive”).

The purpose of the Code is to:

- a) set out clear and unambiguous ethical standards which foster a spirit of honesty, trust and respect;
- b) encourage full and accurate disclosure;
- c) encourage compliance with applicable laws and governmental rules and regulations.

The obligations of the Code supplement, but do not replace each individual’s contracts of employment (where applicable), the Amarin share dealing code and established standard operating practices within the Amarin Group. Executives are expected to work within the spirit as well as to the letter of the Code and should consult with Amarin’s General Counsel on a confidential basis should there be any doubts as to the Code’s meaning or effect.

### **Ethical Business Conduct**

The Amarin Group intends to be successful by reason of the expertise and dedication of its Executives who it expects to work with honesty and integrity and in accordance with the highest possible ethical standards. Amarin expects to build a reputation on fair negotiation and ethical business practice and does not countenance illegal, unlawful or unethical practices in any form. Short-term gain obtained in such a manner could, and often will, result in damage to Amarin’s reputation and in turn Amarin’s business. Accordingly, each Executive must endeavour to deal with colleagues, customers, suppliers, professional advisors, shareholders, patients, physicians, competitors and other business partners (together “Stakeholders”) in a fair and honest manner and shall not seek to obtain unfair advantage through deceit, misuse of confidential or privileged information, misrepresentation of material facts, abuse of power or position or any other unethical act.

### **Compliance with Laws, Rules and Regulations**

Amarin shall conduct its business in compliance with applicable laws, rules, regulations and accounting standards and in accordance with high ethical principles (together “External Governance”). It is of the utmost importance therefore that Executives comply with all External Governance and Amarin standard operating practices and the provisions of the Code (“Internal Governance”) at all times.

### **Conflict of Interests**

Executives must at all times avoid actual or apparent conflicts of interest where the Executive’s objective and reasoned judgment is, or may subsequently be, clouded by personal or other interests which mean that the Executive is not, or may not subsequently be, acting in Amarin’s best interest.

Accordingly, an Executive should not:

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- a) receive improper personal benefits as a result of their position in the Amarin Group, or otherwise gain personal enrichment through their access to confidential information;
  - b) take advantage of opportunities or use corporate property, information or their position for personal gain, nor compete with the Company directly or indirectly;
  - c) serve as a director, manager, consultant, executive or adviser of any outside business organization that would adversely affect their motivation or performance, unless such service is specifically approved by the CEO, or by the Chairman in the case of the CEO;
  - d) have more than a nominal financial interest in any Stakeholder;
  - e) reveal any confidential information of the Amarin Group for personal gain or the gain of any unrelated third party;
  - f) compete directly or indirectly with any member of the Amarin Group while still employed or engaged by any member of the Amarin Group;
  - g) act in any other manner which is, or could reasonably be seen to be, in conflict with the interests of any member of the Amarin Group.

The above list is not intended to be exhaustive of the many and varied situations which may arise and Amarin expects its Executives to apply common sense and caution to any given situation. If the Executive has any doubt as to a proposed course of action then he or she should consult his or her immediate line manager and notify them of the potential conflict of interest situation. An Executive should not participate in a transaction that would or could involve a potential conflict of interest unless the Audit Committee of the Board of Directors of Amarin (the “Audit Committee”) has sanctioned such involvement.

Any conflict or potential conflict of interest of an Executive or of a colleague should be reported by the Executive and if any of Amarin’s General Counsel, Chief Financial Officer or any member of Amarin’s Executive Committee is implicated such conflict should be reported to the Chairman of the Audit Committee.

### **Antitrust and Fair Trading**

Amarin believes that the welfare of consumers is best served by fair competition. Executive should promote Amairn’s business actively, competently and ethically in compliance with all applicable antitrust, competition and fair trading laws in all the markets where it operates, not taking unfair advantage of others whether customers, suppliers or competitors.

### **Corruption or Bribery**

Amarin is opposed to corruption and bribery and does not tolerate practices that seek to obtain business through improper means. Executives shall not offer, receive or accept any kind of benefit to or from Stakeholders which might compromise, or appear to compromise, the ability of the Executive or the

Stakeholder (as the case may be) to make objective and fair business decisions.

### **Insider Trading**

Executives shall at all times act in accordance with Amarin's share dealing code, a copy of which is attached hereto and marked "A".

### **Record-keeping and Reporting**

Amarin seeks to apply the highest standards in the recording of information. All financial statements and books, records and accounts of the Amarin Group, whether held electronically

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or in print, must reflect transactions and events accurately and conform both to External and Internal Governance requirements. Dishonest reporting within the Amarin Group, or to organisations or persons outside the Amarin Group, is strictly prohibited. Each Executive undertakes to deliver full, fair, accurate, timely and understandable disclosure in all reports and documents filed or submitted by it under English law, or with the United States Securities and Exchange Commission, and in its other public communication. Each Executive involved in such reporting shall use his/her respective best efforts to ensure that any such reports and are prepared in accordance with the following guidelines:

- a) the reports should comply in all material respects with Amarin's system of internal accounting processes and controls;
- b) any relevant accounting records should be prepared and maintained in accordance with both External and Internal Governance requirements;
- c) all accounting records should fairly and accurately reflect the transactions or occurrences to which they relate;
- d) all accounting records should fairly and accurately reflect, in reasonable detail, the assets, liabilities, revenues and expenses of the relevant member of the Amarin Group;
- e) accounting records must not contain any false or intentionally misleading entries;
- f) all transactions must be supported by accurate documentation in reasonable detail;
- g) no information should be concealed from the Amarin Group's external auditors or any legislative or governmental body.

### **Confidentiality and Privacy**

Information is one of Amarin's most valuable corporate assets, and open and effective dissemination of information is critical to its success. However, much of this information is confidential or proprietary, and such confidentiality must be maintained except when disclosure is authorized by Amarin or required by laws or regulations.

These rules apply specifically to intellectual property, such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing know-how, designs, formulae, processes, databases, records, salary information or any unpublished financial data and reports.

It is Amarin's policy that all personal information on Executives and Stakeholders be used diligently and treated confidentially, respecting fully all privacy rights. The protection of such information is of the highest importance and must be discharged with the greatest of care to merit the continued confidence of the persons concerned.

### **Whistle Blowing and Accountability**

Any Executive who becomes aware of a violation or potential violation of Internal or External Governance or of the code (a "Violation") shall promptly report the situation in the first instance to either Amarin's General Counsel or Chief Financial Officer or alternatively to the Chairman of the Audit Committee (where a member of Amarin's Executive Committee is involved). This can be done anonymously, confidentially or otherwise. Amarin will then investigate the facts of the situation and shall endeavour to ensure compliance with the terms and spirit of the Code or any applicable laws, rules and regulations. All such investigations shall be carried out in a confidential manner on a "need to know" basis in order to protect the identity of the reporting individual wherever practicable.

If upon investigation it becomes apparent that a Violation either has or could reasonably occur then Amarin will refer the matter to the Audit Committee for determination. Any

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Executive who is deemed to have committed a Violation will be made the subject of disciplinary action which may result in an immediate termination of his/her employment by Amarin. Similarly any Executive who (i) fails to report an actual or potential Violation of which he/she has knowledge; or (ii) punishes any fellow Executive for following the spirit or letter of the Code or any applicable law, rule or regulation; will be made the subject of disciplinary action which may result in an immediate termination of his/her employment by Amarin.

Amarin shall not allow retaliatory actions based on complaints made under this Code in good faith.

### **Waiver**

Any change in, or waiver of this Code for Executives will require a resolution by the Audit Committee and will be disclosed to the extent required by law or stock exchange regulation.

Approved by the Board of Directors on 26 March, 2004

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## CERTIFICATIONS

I, Richard A. B. Stewart, certify that:

1. I have reviewed this annual report on Form 20-F 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 company as of, and for, the periods presented in this report;
4. The company'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)) for the company 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 company, 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) Evaluated the effectiveness of the company'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
  - (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):
  - (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 company'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 company's internal control over financial reporting.

Date: March 31, 2004

/s/ RICHARD A. B. STEWART

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Richard A. B. Stewart  
Chief Executive Officer

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I, Ian R. Garland, certify that:

1. I have reviewed this annual report on Form 20-F 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 company as of, and for, the periods presented in this report;
4. The company'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)) for the company 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 company, 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) Evaluated the effectiveness of the company'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
  - (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):
  - (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 company'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 company's internal control over financial reporting.

Date: March 31, 2004

/s/ IAN R. GARLAND

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Ian R. Garland  
Chief Financial Officer

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## AMARIN CORPORATION PLC

**CERTIFICATION OF RICHARD A. B. STEWART, CHIEF EXECUTIVE OFFICER OF AMARIN CORPORATION PLC, PURSUANT TO SECTION 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Amarin Corporation plc (the "Company") on Form 20-F for the period ending December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. The 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2004

/s/ RICHARD A.B. STEWART

Name: Richard A.B. Stewart  
Title: Chief Executive Officer

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## AMARIN CORPORATION PLC

**CERTIFICATION OF IAN R. GARLAND, CHIEF FINANCIAL OFFICER OF AMARIN CORPORATION PLC, PURSUANT TO SECTION 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Amarin Corporation plc (the "Company") on Form 20-F for the period ending December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. The 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2004

/s/ IAN R. GARLAND

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Name: Ian R. Garland  
Title: Chief Financial Officer

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