INFORMATION MEMORANDUM

EAM Solar ASA's

ACQUISITION OF

A PORTFOLIO OF 31 SOLAR POWER PLANTS IN SOUTHERN ITALY

FROM

AVELEOS S.A.

MANAGERS

ABG SUNDAL COLLIER ARCTIC SECURITIES Carnegie

14 JANUARY 2014

IMPORTANT INFORMATION

Please refer to Chapter 8 for definitions, which also apply to the preceding pages.

General. This information memorandum (the "**Information Memorandum**") has been produced by EAM Solar ASA ("**EAM Solar**" or the "**Company**") solely for information purposes in connection with a contemplated private placement of new shares (the "**Private Placement**") to finance the acquisition of eight companies (the "**Target Companies**") owning a portfolio of 31 solar power plants in Southern Italy (the "**Target SPPs**"). The Information Memorandum is not a prospectus and has not been reviewed or approved by the Financial Supervisory Authority of Norway or any other governmental body.

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No due diligence. No due diligence review or other verification exercises have been performed in connection with the contemplated Private Placement.

Risk factors. An investment in the Company involves risk (including the potential loss of the entire investment). Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Information Memorandum. Investors should carefully review chapter 1 "Risk Factors" for a description of selected risk factors that will apply to an investment in the Company's shares.

No updates. This Information Memorandum speaks as of the date set out on its front page. Neither the delivery of the Information Memorandum nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. Neither the Company nor the Managers intend, or will assume any obligation to, update the Information Memorandum or any of the information included herein.

No investment advice. The contents of this Information Memorandum are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own professional advisors for any such matter and advice.

Forward looking statements. This Information Memorandum includes “forward-looking” statements, including, without limitation, projections and expectations regarding the Company’s future financial position, business strategy, plans and objectives. All forward-looking statements included in the Information Memorandum are based on information available to the Company, and views and assessments of the Company, as of the date of this Information Memorandum. The Company expressly disclaims any obligation or undertaking to release any updates or revisions of the forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless such update or revision is prescribed by law.

When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to”, “may”, “plan” and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company and its subsidiaries are operating or will operate. Factors that could cause the Company’s actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, those described in chapter 1 “Risk Factors” and elsewhere in the Information Memorandum.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

Selling restrictions. This Information Memorandum does not constitute an offer of, or an invitation to subscribe or purchase, any securities in any jurisdiction in which such offer or subscription or purchase would be unlawful. The Private Placement will be directed towards selected investors on the basis of, and in such jurisdictions as permitted or catered for by, exemption rules under applicable securities laws allowing private placements of this nature to be undertaken without the filing of any prospectus, registration statement, application or other similar documentation or other requirement.

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Accordingly, any offer or sale of securities will only be offered or sold (i) within the United States, or to or for the account or benefit of U.S. Persons, only to qualified institutional buyers ("**QIBs**") in private placement transactions not involving a public offering and (ii) outside the United States in offshore transactions in accordance with Regulation S. Any purchase of securities in the United States, or to or for the account or benefit of U.S. persons, will be deemed to have made certain representations and acknowledgement, including without limitation that the purchaser is a QIB.

This Information Memorandum is strictly confidential and is being communicated in the United Kingdom to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and only in circumstances where, in accordance with Section 86(1) of the Financial and Services Markets Act 2000 ("**FSMA**") the requirement to provide an approved prospectus in accordance with the requirement under Section 85 FSMA does not apply. Consequently, the investor understands that the Private Placement may be offered only to "qualified investors" for the purposes of Sections 86(1) and 86(7) FSMA, or to limited numbers of UK investors, or only where minima are placed on the consideration or denomination of securities that can be made available. This Information Memorandum is only directed at qualified investors and investment professionals and other persons should not rely on or act upon this Information Memorandum or any of its contents. Any investment or investment activity to which this communication relates is only available to and will only be engaged with investment professionals.

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Govering law – exclusive jurisdiction. This Information Memorandum, and any dispute arising in respect of this Information Memorandum, is subject to the exclusive jurisdiction of the Norwegian Courts.

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1. RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should consider carefully all of the information set forth in this Information Memorandum, and in particular, the specific risk factors set out below. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares.

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

1.1 Risks related to the Company and its business

1.1.1 The Company is dependent on government subsidies, incentives and supportive regulatory framework

The Company depends substantially on government incentives. Without government incentives, the costs of electricity generated by solar power plants currently would not be competitive with conventional energy sources (e.g., nuclear power, oil, coal and gas) in most current markets, and the availability of profitable investment opportunities to the Company would be significantly lower.

Political developments could lead to a material deterioration of the conditions for, or a discontinuation of, the incentives for solar power plants. It is also possible that government financial support for solar power plants will be subject to judicial review and determined to be in violation of applicable constitutional or legal requirements, or be significantly reduced or discontinued for other reasons. A reduction of government support and financial incentives for the installation of solar power plants in any of the markets in which the Company currently operates or intends to operate in the future could result in a material decline in the availability of investment opportunities, which would have a material adverse effect on the business prospects, financial condition and results of operations of the Company. In this context, it should especially be noted that the Company's current investments are located in Italy, and that they are hence subject to the same incentive scheme regime; i.e. there is limited or no risk diversification with respect to this specific risk.

1.1.2 The Company may not be able to acquire additional solar power plants at commercially attractive terms

The Company's growth strategy is dependent on acquiring additional power plants. There can be no assurance that the Company will be able to acquire additional solar power plants at commercially attractive terms. There are a number of market players that consider investment in projects or solar power plants in operation. It is thus a risk that few projects are available for the Company, or that the prices for each project increases due to competition. In addition, many projects may not fulfil the Company's investment criteria. The Company will not take any financial exposure in projects under development or construction, unless secured against a bank guarantee or corporate guarantee of the same amount and sufficient security, but the consequence can be that the portfolio of the Company builds up slower than planned, and that the cost of analysing and negotiating unsuccessful projects increases. Furthermore, the acquisition process is costly and lengthy.

1.1.3 If the Company is not able to obtain financing, or obtain such financing on acceptable terms, it may not be able to implement its growth strategy

The financial crisis has reduced the availability of project and debt financing, as well as equity financing. The Company's business plan is dependent on the availability of short- and long-term funding of small- and large-scale PV projects. A continued scarcity of financing could limit the Company's ability to fund its acquisitions, and also reduce the availability of power plants for the Company to acquire.

1.1.4 Increasing interest rates could have a significant negative impact on the profitability of investing in solar power plants

The Company plans to fund the acquisition of solar power plans with up to 60-75% debt. Increasing interest rates could significantly reduce the profitability of investing in solar power plants, which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

1.1.5 Increasing inflation could have a significant negative impact on the profitability of investing in solar power plants

As the major part of the income generated by solar power plants is fixed in nominal terms and operational expenses are subject to inflation there is a risk that increasing inflation will have an adverse effect on the profitability of the Company.

1.1.6 The Company is exposed to exchange rate risks

The Company is located in Norway, but has the main share of its operations through Italian subsidiaries. All revenues are denominated in EUR, while costs occur in both EUR and NOK. The Company's reporting currency is EUR, and the Company will thus be exposed to currency risk, primarily to fluctuations in EUR and NOK.

1.1.7 Weather variations could have an adverse effect on the Company

Even in a stable climate, the weather varies from year to year, and hence the production of energy from the solar power plants. This will influence the periodic revenues, and hence the results of operation and cash-flows of the Company. Over time the irradiation and production will likely approach the expected average, but still with the risk of less production than anticipated. However, due to climate changes it is also possible that the expected annual irradiation changes over long periods of time. It is possible that this may influence the expected performance of the plant during its technical lifetime of 20-40 years.

1.1.8 Falling power prices may reduce the Company's income and profitability

The market price for electricity changes according to market conditions. In Italy, the total revenue from power sales is composed of a fixed Feed-in Tariff plus the market price for electricity. The market price component currently represents 15-20% of revenues for both the Company's current portfolio and the Target SPPs, and in certain projects even more of the power sale revenues. If local power market prices fall, the Company's revenues, results of operation and cash flow may be adversely affected. Power prices may be affected by a number of factors, including the level of installed PV capacity and changes in the prices of hydrocarbons (oil, gas, carbon).

1.1.9 Participation in the intraday imbalance power market adds uncertainty in the resulting power price

SPPs operating under Conto Energia 1-4, including the Company's current SPPs, are obliged to participate in the intraday imbalance power market, which adds an additional uncertainty in the resulting power price. This means that for each power plant the planned production for each hour of the next market day must be submitted to the Italian Power Exchange ("**IPEX**"). An exact power production figure must be submitted for each of the 24 hours of the market day. If the real production in any particular hour deviates from the submitted production figure by more than 10 % for solar power plants in Italy, a penalty will be calculated based on the actual market balance. The penalty may be positive or negative, depending on the actual market balance. Capping the power price and / or the imbalance market risk by entering into commercial bilateral power purchase agreements is possible, but at a certain cost that may vary over time. For more information about the imbalance power market, see section 3.13.1.

1.1.10 Increasing operating expenses could have a negative effect on the Company's profit and cash-flow

The Company plans to operate and maintain the power plants according to best practice and continuous improvements in a cost efficient manner. However, increased costs related to the amount of consumables or the manpower cost may change over time. Replacement of main or auxiliary systems may come at more frequent intervals than planned. Financing, insurance and regulatory requirements may also lead to increased operating cost. This may have an adverse effect on the Company's operating results and cash-flows.

1.1.11 The Company may suffer losses due to insufficient quality of equipment and technical breakdowns

Revenues may be reduced due to insufficient quality of installed solar modules and other equipment resulting in faster than estimated degradation, and consequently lower revenues and higher maintenance costs, particularly if the product guarantees have expired or the supplier is unable or unwilling to respect its obligations.

Even well-maintained high-quality solar power plants may from time to time experience technical break downs. These failures may have many different causes. Depending on the component that fails and the design of the plant, parts of or the entire capacity can be out of production for some time. There is a risk that the appropriate spare parts are not available for various reasons, causing a prolonged production stop.

The grid operator may, from time to time, disconnect the solar power plant in periods of high grid loads. The power plants are typically designed to automatically reconnect, but experience shows that this is not always the case. There is also a risk of discrepancies between power meter readings and actual power production due to system or human failure. In such cases, it is upon the operator to justify claims for the correct revenue collection.

1.1.12 The Company may suffer production losses due to natural phenomena

Severe weather phenomena such as strong wind, hail storms, snow and lightening or other weather phenomena may disrupt the functionality of components or even cause damage. Other phenomena that may occur are rodent damage and fires. The risk of floods, landslides, earthquakes and volcanic eruptions, and other geo hazards must be taken into account when evaluating the risk of solar power plant operations. Weather and other natural phenomena may increase operating costs as well as reduce revenues.

1.1.13 The Company may suffer losses due to bureaucratic or executive errors and inefficiencies

The operation of the power plants includes from time to time exchange of information with relevant authorities and counterparties. Such exchange and verification of documents may take some time. This may influence the Company's ability to execute its business without delays.

It may further happen that administrative procedures in the management of the Company are subject to inefficiencies or errors which may generate costs or losses, due to improper planning or execution of work flows.

1.1.14 The Company may suffer losses due to theft and vandalism

Theft of photovoltaic modules and other equipment parts have occurred in Italy and elsewhere, particularly in Southern Italy. Thefts and vandalism may cause loss or damage of the Company's equipment and could result in disruption of production at the Company's power plants and thereby have an adverse effect on the Company's operating results.

1.1.15 The Company may be negatively affected by corruption and unethical practices

Infrastructure projects are generally developed in close interaction with local and regional authorities. This poses a risk of corruption or other non-compliant processes with the effect that competitors have a non-compliant, but easier access to projects. It may also be a risk that projects acquired by the Company have been developed in non-transparent or non-compliant manners prior to the acquisition.

Up until the award of license, the risk of non-compliant behaviour of a stakeholder is higher than when in production. This is a risk that is carried forward and which ultimately may under particular circumstances result in the revocation of one or several of the relevant licenses.

1.1.16 The Company's insurance policies may not cover all losses which the Company may suffer

The power plants will have insurance against damage and revenue loss due to incidents such as technical breakdown, natural phenomena and criminal actions as described above. Liability insurance is also available and applicable to all power plant operations. However, the insurance policy may not cover all foreseeable and unforeseeable events, and the Company may be exposed to losses and cost of repairs that exceed normal O&M budgets and are outside the insurance agreements.

Further, under special circumstances, it could be that the amount of damages received from the insurance company is reduced due to curtailments or other reasons due to, e.g. the magnitude of the total damages to be covered. The policies and policy prices may vary over time depending on the insurance products in the market and estimated risk for the relevant operation. Any increase in insurance premiums could have an adverse effect on the Company's results of operation and cash-flows. It might further happen that the insurance company cancels the policy.

1.1.17 The Company is dependent on key members of the management team in SPM

The Company's success depends, to a significant extent, on the continued services of the individual members of SPM, who have substantial experience in the industry. The Company's ability to continue to identify and develop opportunities depends on management's knowledge of, and expertise in the industry, and on their external business relationships. There can be no assurance that any management team member will remain with the Company.

The management of EAM Solar AS is performed by EAM Solar Park Management AS under relevant agreements. If EAM Solar Park Management AS for any reason became unable or unwilling to perform management services for the Company, this could have material negative impact on the Company.

1.1.18 The Company may be subject to changes in laws and regulations in respect of its operations

The Company is subject to an extensive range of laws and regulations, including, but not limited to, rules and regulations related to land utilization, development and zoning plans, property tax and HSE (health, safety and environmental), power market and grid operation rules and regulations. If the Company fails to comply with any such laws and regulations, permits or conditions, or to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms its current permits or registrations, then the Company may be subject to, among other things, civil and criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of its operations. Furthermore, changes in the legislative and regulatory framework governing the activities of the Company may have a material adverse impact on the Company's business activities, cost and profitability.

1.1.19 Changes in, or interpretation of, tax laws create uncertainty with regard to taxation of the Company

Changes in taxation law or the interpretation of taxation law may impact the business, results of operations and financial condition of the Company. To the extent tax rules change, this could have both a prospective and retrospective impact on the Company, both of which could have a material adverse effect on the Company's operations and financial condition.

1.1.20 The Company may be negatively affected by late payments of invoices

There is a risk that payments of invoices for revenues are delayed due to bureaucratic procedures. This is particularly the case in the initial period of operation, since registering changes of directors and management of an SPV after an acquisition takes time. The relevant authorities cannot execute their obligations towards the power plant before the formalities are notarised and registered in official records, and after this it may still take several weeks before the changes are acknowledged with business partners and authorities. The risk of this occurring is significantly reduced about 3-9 months after completed transaction activities, but delayed receivables may nonetheless have an adverse effect on the Company's liquidity and cash-flows.

1.1.21 The Company may be negatively affected by disputes

The Company will from time to time be involved in disputes in the ordinary course of its business activities. Such disputes may disrupt business operations and adversely affect the results of operations and the Company's financial condition.

1.2 Risks related to the Acquisition

1.2.1 The conditions precedents to closing may not be fulfilled for all Target Companies

The acquisition of each Target Company may be closed separately in accordance with the SPA, provided that the first set of closings shall result in an indirect acquisition of no less than 20 of the 31 Target SPPs. The Company expects the closing of the Acquisition to occur during the first quarter 2014.

The due diligence will not be considered completed by the Company before all conditions precedents have been satisfied or deliberately waived by the Company. If all conditions precedents to closing are not satisfied for one or more of the Target Companies by 30 April 2014, the Company may not be able to employ the entire proceeds from the Private Placement. This could have a temporary negative impact on the Company's return on equity.

1.2.2 The information and the documentation received from the Seller may not be correct and complete

As of the date of execution of the SPA, some of the questions raised by the advisors have not been answered and parts of the documents requested have not yet been provided by the Seller.

The Company will prior to the closing date of the Acquisition complete a full and comprehensive due diligence on both the Target Companies and the Target SPPs also based on the further information and documentation received by the Seller. However, the risk that the information provided by the Seller is incomplete and / or inaccurate cannot be excluded.

Such lack of accurate and complete information may put the Company at risk of acquiring SPPs which are not compliant with technical specifications, legal and administrative requirements.

The Company may experience additional expenses (due to sanctions and/or penalties or due to the need to conform the SPPs to the necessary standards) or, in the worst case scenario, to the (temporally or permanent) disconnection of the SPPs from the grid and/or revenue losses (*e.g.* deriving from the temporally or permanent loss of the revenue components described in paragraph 6.1.4).

1.2.3 Potential issues identified during the preliminary due diligence may not be fully covered in the SPA

Although, in principle, all the issues which has been identified during the due diligence as of the signing of the SPA may be regulated through different mechanisms in the SPA, such as representation and warranties and conditions precedent to closing, the risk that said mechanisms would not adequately protect the Company with respect to all losses which may be incurred by the latter following violation of the relevant SPA provision, may not be excluded. E.g. the obligation of the Seller to indemnify the Company with respect to the suffered losses arising from breaches of the representation and warranties is subject to all the limitations included in the SPA (such as, *de minimis*, liability cap and liability limitations specifically included), as well as the Seller's financial solvability.

1.2.4 Further potential issues may be identified following completion of a full and comprehensive due diligence

The due diligence activity performed so far by the advisors was only aimed at drafting a red flag report, which exclusively sets forth a summary of the main issues encountered on the most important documents relating to the SPPs and the Target Companies. Further potential issues may be identified following completion of a full and comprehensive due diligence. E.g. the obligation of the seller to assign the connection facilities serving the SPPs to the relevant grid operator (i.e. Enel Distribuzione S.p.A.) is subject to the correctness and completeness of the authorization procedure thereof (including the acquisition of the titles over all the interested lands) and to the compliance of the realized works to the authorized projects, which will be verified during the course of the full and comprehensive due diligence.

1.2.5 The due diligence might not identify all potential risks related to the Target SPPs and the Target Companies

There is a risk that the due diligence might not identify all the potential risks and/or underestimate possible negative impacts on the Company's operating results and financial position.

1.2.6 The assumptions on which the Purchase Price is calculated can only be verified after closing of the Acquisition

The Purchase Price is calculated based on certain assumptions that can only be verified after the closing of the Acquisition. In particular, the Purchase Price is calculated based on a particular annual energy production at the GSE meter for 2014, an estimated RiD price for the same year and on certain tax reimbursements under the so called "Tremonti Ambientale" which the Target Companies might receive.

The SPA provides for positive or negative price adjustments in the event that one or more of the aforementioned assumptions are met. The SPA also provides that, at closing, the Company shall pay a portion of the Purchase Price, equal to EUR 3.375 million to be held in an escrow account which shall serve as a payment fund for price adjustments relevant to the RiD price. There is a risk that the 2014 energy production losses and changes in the market price for electricity are more significant than the parties anticipated, and the price adjustment mechanism might not cover the real losses.

The Production Adjustment derived from the normalized annual production in 2014 being lower than 44.2 GWh is guaranteed by the Seller's shareholders, or by an alternative substantially equivalent security. If the production is lower than promised by the Seller in 2014, and the Seller is not able to fulfil its financial obligations, the Company's financial condition may be adversely affected.

1.2.7 The Target Companies have in the past executed EPC and O&M agreements with Aion Renewables S.p.A., a company that was been declared bankrupt in March 2013

The Target Companies have in the past executed EPC and O&M agreements with Aion Renewables S.p.A. ("**Aion**"). According to the information available to the Company, the O&M agreements have been replaced by further O&M agreements executed by the Target Companies with the current O&M contractor. Aion was declared bankrupted in March 2013.

The majority of the Target Companies have filed an application to be admitted to the relevant bankruptcy proceeding with reference to certain alleged credits. Since all of said applications were assessed to be in delay with respect to the terms set forth by the law, the reimbursement of the relevant credits would take place only subject to satisfaction of the creditors who have timely filed the relevant application (unless the Target Companies provide evidence that the delay in filing the application was not attributable to their fault).

1.2.8 The current O&M operator of the Target Companies is insolvent

The current O&M operator of the Target Companies is insolvent and there is a risk that in 2014 or subsequent years it might be declared bankrupt. In the event the O&M operator is declared bankrupted the Company might incur additional costs. The SPA includes that in the event of a bankruptcy for the O&M operator in 2014, the Company and the Seller shall in good faith discuss with a view to agreeing upon a reasonable adjustment to the Purchase Price. There is a risk that the damage the Company might suffer is higher than the related indemnification.

1.2.9 The Seller may in the future go through extraordinary operations, such as a wind up

According to the information provided, the Seller may during the years following the transaction go through extraordinary operations, such as wind up. The potential financial incapability of the Seller to satisfy its obligations under the SPA may require the starting of several long-lastly and costly proceedings in order to collect the indemnities which the Target Companies might be entitled to.

1.2.10 Several criminal proceedings exist involving photovoltaic plants constructed in some of the Italian regions and, in particular, in the Puglia regions

Many criminal investigations and proceedings have been commenced within some of the Italian regions against companies owning photovoltaic plants as well as original developers. Such proceedings in many cases led to the seizures of the relevant plants.

In particular, with reference to the Puglia region, the main charges brought by the relevant public prosecutors within the relevant criminal proceedings concerns the fact that the simplified DIA procedure (the "**DIA**") would be illegitimate since several adjoining plants would (allegedly) hide one single "big" plant whose total nominal capacity would exceed the maximum capacity that in the Puglia region could (at that time) be authorized through the DIA procedure *(i.e.* 1 MWp). Therefore according to the relevant public prosecutors view the correct authorization procedure would have been the more complex sole regional authorization (AU) and the relevant DIAs would be invalid and void.

As per the existence of additional solar fields that can be considered as joint or close to the SPPs, the Company's advisors was not in a position to express any legal advice in relation to the risk that the nominal capacity of such additional plants (if any) be cumulated with the nominal power of the SPPs (with consequent effects on the theoretical validity of the authorizations at hand).

Furthermore, in some of the mentioned criminal proceedings, the public prosecutors objected that the relevant DIAs could not be considered as perfected due to the fact that further necessary authorizations required in order to realise a photovoltaic plant in a restricted area (*e.g.* landscape authorizations) had not been issued by the competent entities.

In this respect, the continued due diligence prior to the closing of the Acquisition might not identify all possible violations of construction, landscape and environmental law provisions.

1.3 Risks related to the Shares

1.3.1 The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the same industry. Those changes may occur without regard to the operating performance of these companies. The price of the Company's Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

1.3.2 Future issuances of Shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

1.3.3 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either affect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

1.3.4 Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway

The Company is incorporated under the laws of the Kingdom of Norway, and all of its current directors and executive officers reside outside the United States. Furthermore, most of the Company's assets and most of the assets of the Company's directors and executive officers are located outside the United States. As a result, investors in the United States may be unable to effect service of process on the Company or its directors and executive officers or enforce judgements obtained in the United States courts against the Company or such persons in the United States, including judgements predicated upon the civil liability provisions of the federal securities laws of the United States. The Company has been advised by its Norwegian legal counsel that the United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

1.3.5 The transfer of the Shares may be subject to restrictions on transferability and resale in certain jurisdictions

The Shares have not been registered under the Securities Act or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

1.3.6 Shareholders outside of Norway are subject to exchange rate risk

The Shares are priced in NOK, and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially adversely affected.

2. THE ACQUISITION

2.1 Overview of the Transaction

On 26 November 2013, the Company signed a binding term sheet (the "**Binding Term Sheet**") with Aveleos S.A. (the "**Seller**") in order to acquire the entire share capital of eight companies (the "**Target Companies**") owning a portfolio of 31 solar power plants in Southern Italy (the "**Target SPPs**"), with a combined capacity of 30 MWp and an annual electricity production capacity of approximately 44 GWh (the "**Acquisition**").

After the signing of the Binding Term Sheet, the Company and its external advisors have conducted a significant part of the confirmatory tax, insurance, legal, fiscal, compliance, commercial, administrative and technical due diligence of the Target Companies and the Target SPPs.

On 31 December 2013, the Company signed the sale and purchase agreement (the "**SPA**") to purchase from the Seller the entire corporate capital of all Target Companies. Based on the satisfaction of all conditions precedents, further described in section 2.3, the Company expects the closing of the Acquisition to occur during the first quarter 2014.

The Target SPPs are owned by the Target Companies as follows:

Target Companies	SPPs	Installed power	Power production
ENS Solar Four S.r.l. ("**ENS 4**")	10	9.9 MWp	14.7 GWH
Energetic Source Green Power S.r.l. ("**ESGP**")	7	6.9 MWp	9.9 GWH
Energetic Source Green Investment S.r.l. ("**ESGI**")	3	3.0 MWp	4.2 GWH
Energetic Source Solar Production S.r.l. ("**ESSP**")	5	4.7 MWp	6.7 GWH
ENS Solar One S.r.l. ("**ENS 1**")	3	3.0 MWp	4.4 GWH
Aveleos Green Investments S.r.l. ("**AGI**")	1	1.0 MWp	1.5 GWH
Energia Fotovoltaica 14' Societa Agricola A.r.l. ("**ENFO 14**")	1	1.0 MWp	1.4 GWH
Energia Fotovoltaica 25' Societa Agricola A.r.l. ("**ENFO 25**")	1	1.0 MWp	1.5 GWH

Since ENS 1 owns the entire share capital of ENFO 14 and ENFO 25, the acquisition of these two entities is conducted through the agreement to acquire ENS 1.

2.2 Purchase price

The enterprise value and consequent purchase price for each and all of the Target Companies was calculated by using the Company's financial model and dividend yield requirements, based on the information provided by the Seller and verified and adjusted throughout the due diligence process. The financial take-over date for the Acquisition has been set to 1 January 2013.

The Acquisition price is based on an enterprise value (the "**EV**") in the base case scenario of EUR 114.3 million, of which EUR 73.4 million is financed by the continuation of existing debt facilities of the Target Companies, and EUR 40.9 million is paid in cash (the "**Purchase Price**"). The Purchase Price includes EUR 3.375 million held in an escrow account to cover the outcome of certain future events, as better described below.

The EV is based on the assumption that the net working capital of the Target Companies as of 31 December 2012 is equal to 0 (zero), and any adjustments to the Purchase Price in positive or in negative, shall be done after the signature of the SPA, based on the 2013 financial statements for the Target Companies and the mutually agreed calculation of the Net Working Capital as of 31 December 2012 (since the financial take-over date is 1 January 2013). Based on the information received from the Seller as of the date of this Information Memorandum, the Company expects to pay approximately EUR 5.5 million for the net working capital in the Target Companies as of 31 December 2012, bringing the total cash outlay to EUR 46.4 million.

For more information about the existing debt facilities of the Target Companies, see section 4.3 of this Information Memorandum.

As mentioned above, the Company has agreed to pay an initial Purchase Price of EUR 40.9 million in cash for 100% of the shares in the Target Company. However, the Company and the Seller have agreed to deposit EUR 3.375 million (the "**Earn-out**") of the Purchase Price in an escrow account, in order to mitigate certain risks that could occur in 2014 related to the Target Companies. If the highest of the minimum GSE-guaranteed RiD price in 2014 and the actual market price for electricity in 2014 is lower than EUR 80 per MWh, or the minimum guaranteed RiD price during 2014 is determined to be lower than EUR 80 per MWh in subsequent years, a maximum of EUR 3.375 million shall be deducted from the Purchase Price. The Earn-out amount shall be released from the escrow account in 2015 if the aforementioned risks do not occur in 2014.

In December 2013, as expected by the Company during the negotiations with the Seller, the Italian National Authority (“**AEEG**”) resolved to reduce the minimum guaranteed RiD price in 2014 to EUR 38.5 per MWh. In addition, based on the current market price for electricity in Italy and the outlook for 2014, the Company expects the average market price for electricity to be approximately EUR 60 per MWh in 2014. The Company thus expects the entire Earn-out amount to be released to the Company in 2015.

In addition to the amount held in the aforementioned escrow account, the Company and the Seller have agreed to adjust the Purchase Price based on achieved production in 2014 (the “**Production Adjustment**”). If the total normalized production achieved in 2014 is lower than the 44.2 GWh promised by the Seller, the Company will be entitled to a downward adjustment of the Purchase Price up to EUR 4.0 million. If the total normalized production in 2014 exceeds 44.2 GWh, the Company will pay an additional amount up to EUR 4.0 million in addition to the Purchase Price. The Production Adjustment shall be paid or received in 2015, when the relevant figures are available for 2014.

2.3 Conditions for completion of the Acquisition

According to the SPA, each SPV transaction may be closed separately provided however that the first set of closings shall result in an indirect acquisition by the Company of no less than 20 of the 31 SPPs. The relevant closing shall occur after all conditions precedent to closing set forth in the SPA have been satisfied or waived. The Company and the Seller shall use their commercially best efforts to cause the relevant closing to be consummated as soon as possible.

Prior to closing, the Acquisition is inter alia subject to:

- All third-party consents required to consummate the transaction, including relevant consents to continue the existing financing agreements for the Target SPVs
- The Company having completed its due diligence review of the Target Companies and the respective Target SPPs, including receiving all necessary documentation to ensure that all necessary permits and land rights are in place
- No material adverse changes having occurred in the Target SPVs prior to closing

Based on the satisfaction of all conditions precedents, the Company expects the closing of the Acquisition to occur during the first quarter 2014.

2.4 Advisors

2.4.1 Financial advisor

Carnegie AS acts as the Company’s financial advisor in connection with the Acquisition.

2.4.2 Legal due diligence advisor

Orrick, Herrington & Sutcliffe acts as the Company’s legal due diligence advisor in connection with the Acquisition.

2.4.3 Technical due diligence advisor

WiseEnergy - Smart Renewables Services acts as the Company’s technical due diligence advisor in connection with the Acquisition.

2.4.4 Compliance due diligence advisor

Kroll Associate S.r.l. acts as the Company’s compliance due diligence advisor in connection with the Acquisition.

2.4.5 Tax due diligence advisor

Torresi Studio Associati acts as the Company´s financial, tax and accounting due diligence advisor in connection with the Acquisition.

2.5 Expenses related to the Acquisition

Transaction costs and all other directly attributable costs in connection with the Transaction will be borne by the Company and are estimated to approximately EUR 1.5 million. Including the Private Placement, the total costs are estimated to EUR 3.3 million.

3. PRESENTATION OF EAM SOLAR

3.1 Incorporation, registered office and registration number

EAM Solar ASA is a Norwegian public limited liability company pursuant to the Norwegian Public Limited Liability Companies Act, incorporated under the laws of Norway, with registration number 996 411 265. The Company was established on 5 January 2011 and incorporated on 12 January 2011. The Company's registered head office is:

EAM Solar ASA
Dronningen 1
0287 Oslo
Norway
Telephone: +47 24 11 57 96
Website: www.eamsolar.no

3.2 Business objectives and strategy

EAM Solar's business is to own solar power plants ("**SPPs**") operating under long-term sales contracts for the generated electricity, for the duration of the lifetime of the SPPs.

EAM Solar aims to purchase, maintain and operate SPPs in Europe, with a current focus on SPPs located in Italy.

The ownership strategy is to own the SPPs through fully owned single-purpose vehicles ("SPVs"), normally incorporated in the country where the power plants are located. The SPV structure is chosen to give a high degree of flexibility in potential restructurings of the assets, as well as for the purpose of isolating operational and financial risks in the SPVs. Distributable profits generated in the SPVs will be transferred to EAM Solar as dividends or group contributions.

EAM Solar aims to differentiate its operational strategy from module producers, project developers and EPC contractors by taking an active ownership role. EAM Solar will not take project development or construction risk, but will buy the solar power plants when they are commissioned, with grid connection completed and confirmed. EAM Solar will have a strong focus on active ownership and optimal operation of the power plants.

Through active ownership of solar power plants, EAM Solar and SPM will focus on maximizing value for EAM Solar's shareholders through best-practice operations. EAM Solar will make every effort to pay its equity investors as high dividend as achievable within the limits of the Company's financial covenants and cash position.

3.3 History and development

The Company was incorporated in 2011. During March/April 2011 a total of 1,200,000 shares were issued at NOK 100 per share in a private placement, for a total consideration of NOK 120 million.

The two first SPPs, Varmo and Codroipo, were acquired during winter 2011/2012, with a combined production capacity of 4.6 MWp. The Varmo acquisition was completed 27 September 2011, while the Codroipo acquisition was completed 29 February 2012. For more information about Varmo and Codroipo, see section 3.6.1 and 3.6.2.

The Company completed a successful initial public offering in March 2013, and was listed on Oslo Axess under the symbol EAM. A total of 1,120,000 shares were issued at NOK 100 per share, for a total consideration of NOK 112 million.

In August 2013, based on the cash flow from operations of the Varmo and Codroipo SPPs, the Company paid its first dividend to shareholders, NOK 5 per share.

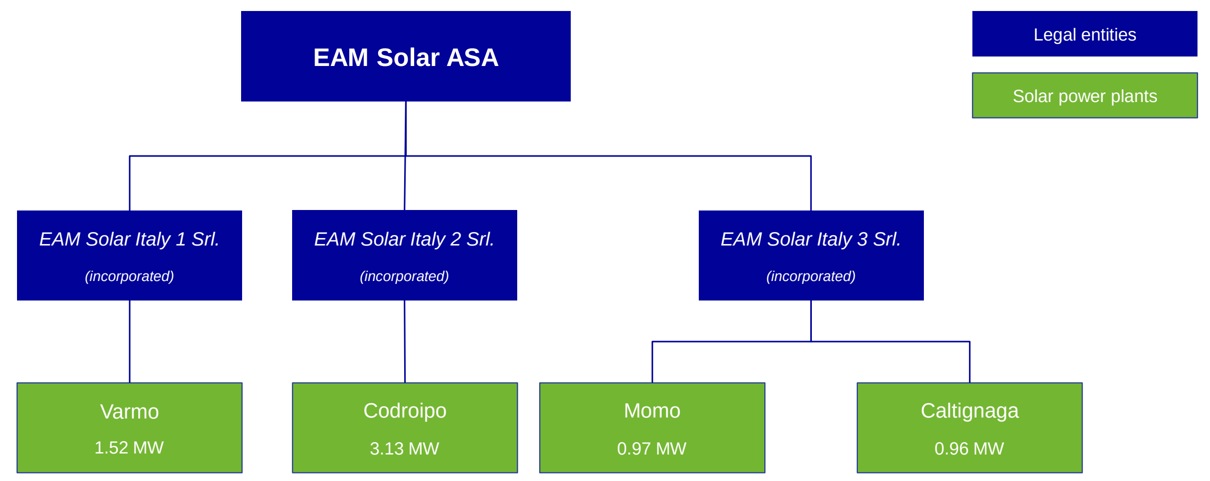
In September 2013, the Company completed the acquisition of two additional SPPs, Momo and Caltignaga, with a combined production capacity of 1.9 MWp. For more information about Momo and Caltignaga, see section 3.6.3 and 3.6.4.

On 31 December 2013, the Company signed the SPA to acquire the Target Companies, with a combined production capacity of 30 MWp. For more information about the Acquisition and the Target Companies, see chapter 2 and 4.

3.4 Corporate structure

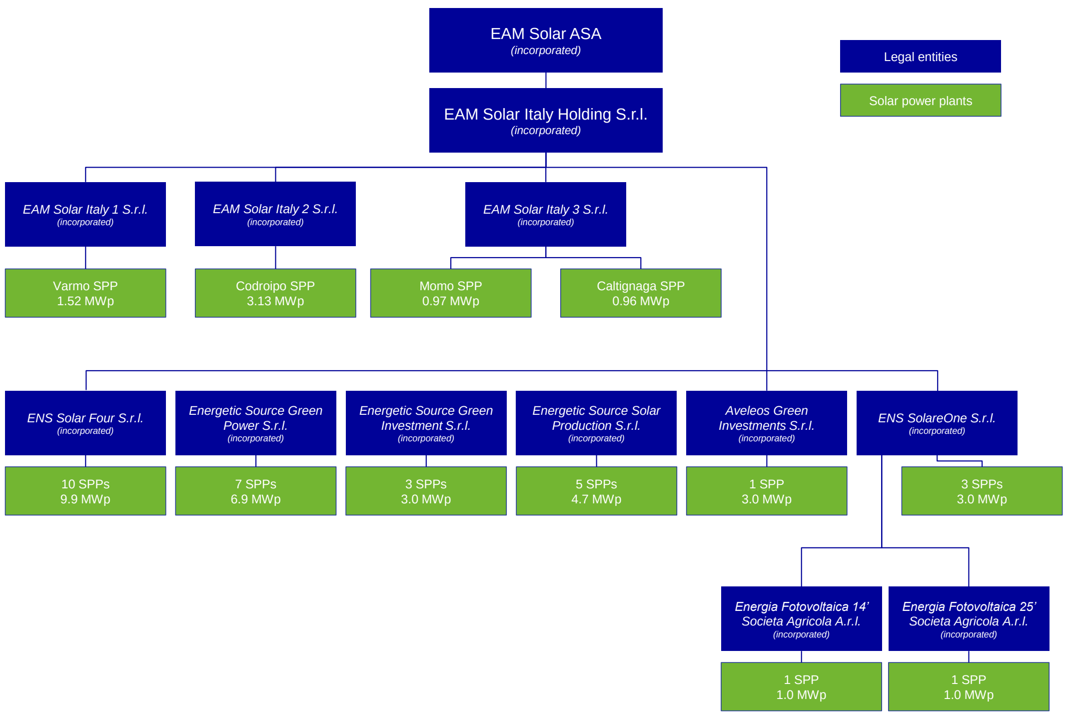
The chart below sets forth the Company's legal corporate structure prior to the Acquisition. Prior to the Acquisition, the Company had three wholly-owned Italian subsidiaries organized as SPVs.

Figure 1: Corporate structure prior to the Acquisition



As part of the Acquisition, the Company has established an Italian holding company, EAM Solar Italy Holding S.r.l., a fully-owned subsidiary of EAM Solar ASA. The Company will also transfer the ownership of its existing three Italian subsidiaries to this new holding company. The figure below illustrates the planned legal structure of the Company after the closing of the Acquisition.

Figure 2: Corporate structure after the Acquisition



EAM Solar is structured as a holding company for the solar power plant SPVs, with no employees. All administrative, technical and commercial services are conducted by EAM Solar Park Management AS ("**SPM**") pursuant to the Management Agreement further described in section 3.7 below.

See below for a description of the Company's subsidiaries prior to the Acquisition. For more information about the legal entities of the Target Companies, see section 4.2.

3.4.1 EAM Solar Italy 1 S.r.l.

EAM Solar Italy 1 S.r.l. is organized as a wholly-owned SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant close to Comune di Varmo in the Friuli-Venezia Giulia region in Northern Italy. The subsidiary has no employees and is managed through the management agreement between EAM Solar and SPM.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 1 S.r.l.
C/o Wise Energy
Corso Vittorio Emanuele II 30
Milano 20122
Italy

For more information about the Varmo SPP, see section 3.6.1.

3.4.2 EAM Solar Italy 2 S.r.l.

EAM Solar Italy 2 S.r.l. is organized as a wholly-owned SPV incorporated in Italy. The Company owns the assets and licenses of a solar power plant close to Città di Codroipo in the Friuli-Venezia Giulia region in Northern Italy. The subsidiary has no employees and is managed through the management agreement between EAM Solar and SPM.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 2 S.r.l.
C/o Wise Energy
Corso Vittorio Emanuele II 30
Milano 20122
Italy

For more information about the Codroipo SPP, see section 3.6.2.

3.4.3 EAM Solar Italy 3 S.r.l.

The subsidiary EAM Solar Italy 3 S.r.l. is a wholly-owned SPV incorporated in Italy. The Company owns the assets and licenses of two solar power plants in the Novara province in Northern Italy.

The SPV is domiciled in Italy at the following business address:

EAM Solar Italy 3 S.r.l.
C/o Studio Torresi
Via Jacopo da Ponte 49
Rome 00197
Italy

For more information about the Momo and Caltignaga SPPs, see section 3.6.3 and 3.6.4, respectively.

3.5 Business overview

EAM Solar's business activities can be separated into two phases; i) the investment phase and ii) the operational phase.

<u>Investment phase</u>

- Searching and screening for relevant power plants available for acquisition
- Valuation, due diligence and risk assessment of SPPs
- Investment decisions and transaction execution

<u>Operational phase</u>

- Optimize financing structure to maximize risk-adjusted returns

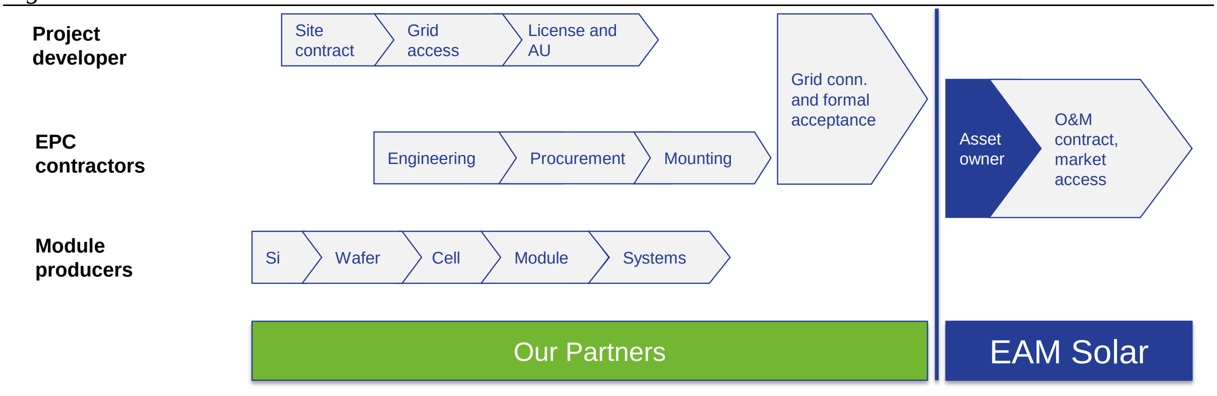
- Active commercial and technical management of SPPs to improve long-term profits

3.5.1 EAM Solar in the value chain

The Company either buys (i) commissioned SPPs already connected to the grid and producing power, or (ii) commits to acquire licensed projects to be transferred and paid only when constructed, grid connected and secured revenues. This strategy eliminates development, construction and commissioning risk.

The figure below illustrates the Company's position in the value chain.

Figure 3: EAM Solar in the value chain



3.5.2 Investment phase

<u>Screening process for new plants</u>
Solar power plants are part of a young and undeveloped industry, and many projects have characteristics that make them unattractive acquisition targets for the Company. To avoid spending scarce resources on projects that will not materialize, SPM has developed standardized routines to filter out unattractive projects before spending time with the seller. Standardization will be important to continue to develop scale advantages in the transaction routines.

<u>Investment criteria</u>
SPM has developed a set of investment criteria related to SPPs with long-term fixed-price contracts under the Feed-in Tariff system, mainly in Italy. Potential assets must fit with the overall strategy of the Company, and be based on credible technology and partners.

The investment criteria are described in the table below.

Item	Investment criteria
Capital return	Project IRR: 7-12% Equity cash IRR: 10-15% Average dividend yield: 12-15% Return criteria based on guarteed Performance Ratio according to EPC and O&M contract. Total capital return depends on country, regional differences, electricity sales contract structure and historical performance data of solar power plant.
Insurance	The Company seeks full insurance packages with long durations, including: 1. Equipment insurance 2. Ordinary disruption insurance 3. Yield insurance (where available)
EPC contract	**No construction risk and no FIT contract risk.** 2 year EPC warranty, 2 year EPC warranty bond minimum of 5% of EPC contract
O&M contract	O&M warranty and possibly attached warranty bond equal to one year O&M contract cost, or similar security for running O&M cost exposure.
Land	Land purchase or lease contracts that cover the term of the FIT contract. Increased focus on

	opportunity to prolong contract or secure ownership of land.
Production enhancement	Opportunities to increase yield of asset through good operations and future incremental investments in additional capacity.

3.5.3 Operational phase

Active ownership
The Company takes an active ownership role in the SPPs, in order to protect and increase yields. This strategy differs from the purely financial owners with a "buy-and-hold" ownership strategy with complete reliance on the O&M operator.

As the Company's portfolio increases in size through further acquisitions, SPM aims to take more services in-house to reduce and eliminate some of the operational costs. These costs will be replaced by direct costs from an Italian office and the Oslo office.

Typically, at the time of acquisition of the SPPs, the Company will enter into EPC and O&M contracts warranties and guarantees for 2-5 years. After the expiry of these agreements, the Company will try to renegotiate these agreements or replace these contractors and service providers with SPM's own staff and/or direct agreements with other providers.

Residual management
The Company aims to increase the value of the SPPs during the initial lifetime of 20 years (assumed in the investment phase), and extend the value of the asset beyond 20 years.

Administrative residual management includes contract negotiations to extend the lease contract or to buy the land, as well as expanding land nearby to build non-subsidized power plants that benefit from existing agreements and relations.

Financial residual management includes agreements with other power producers to negotiate better power purchase agreements, etc.

Technical residual management includes activities that increase the revenue from minor upgrades on the SPPs. This includes GSE metering, tracking adjustments and more efficient inverters. Replacing modules with more efficient ones will be a theme within the next 5-10 years.

3.6 Existing portfolio

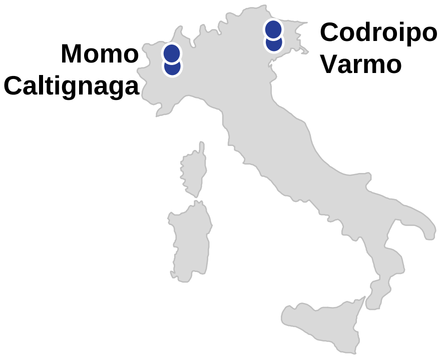
Prior to the Acquisition, the Company owns and operates four SPPs located in Northern Italy. The four plants have a combined production capacity of 6.6 MWp and an annual electricity production of approximately 10 GWh, depending on the annual solar irradiation.

The Company has conducted an extensive technical, operational and legal due diligence for all plants, and all plants have extensive insurance coverage.

All plants currently operate under O&M agreements managed by SPM according to the Management Agreement. For more information about the Management Agreement, see Section 3.8.

The location of the four SPPs can be seen in the figure below.

Figure 4: SPP locations (Italy)



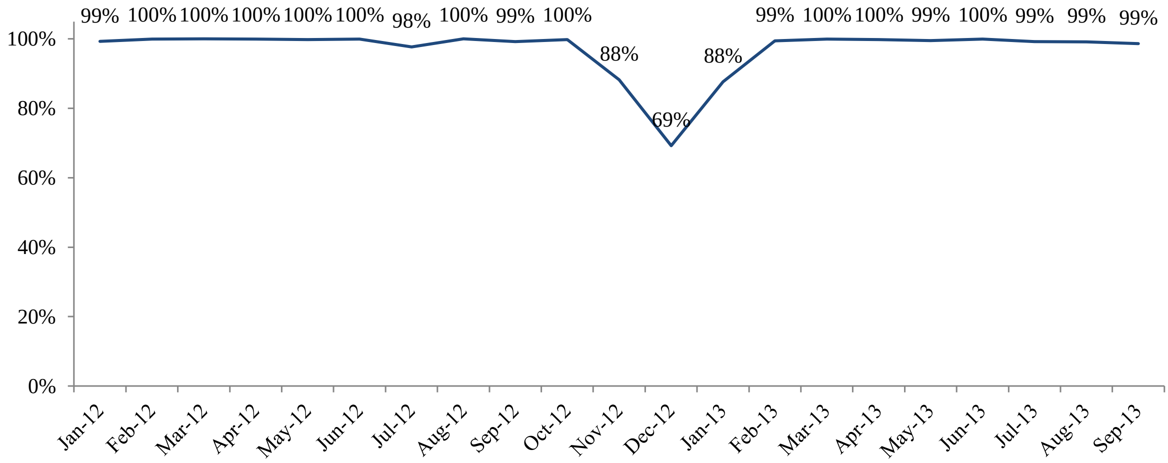
3.6.1 Varmo

The Varmo SPP covers 8 hectares of land and has a dual-axis tracker design. The plant has a contract according to the 2010 Conto Energia 2 Feed-in Tariff in Italy and commenced commercial production 28 December 2010.

With a production capacity of 1.5 MWp and an initial annual electricity production capacity of approximately 2.5 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.9 million and EUR 0.7 million, respectively.

The graph below illustrates the development in commercial availability for the Varmo SPP in the period January 2012 to September 2013. 2012 production figures are influenced by the takeover process and the clean up after the previous owner.

Varmo production 2012 and first nine months 2013



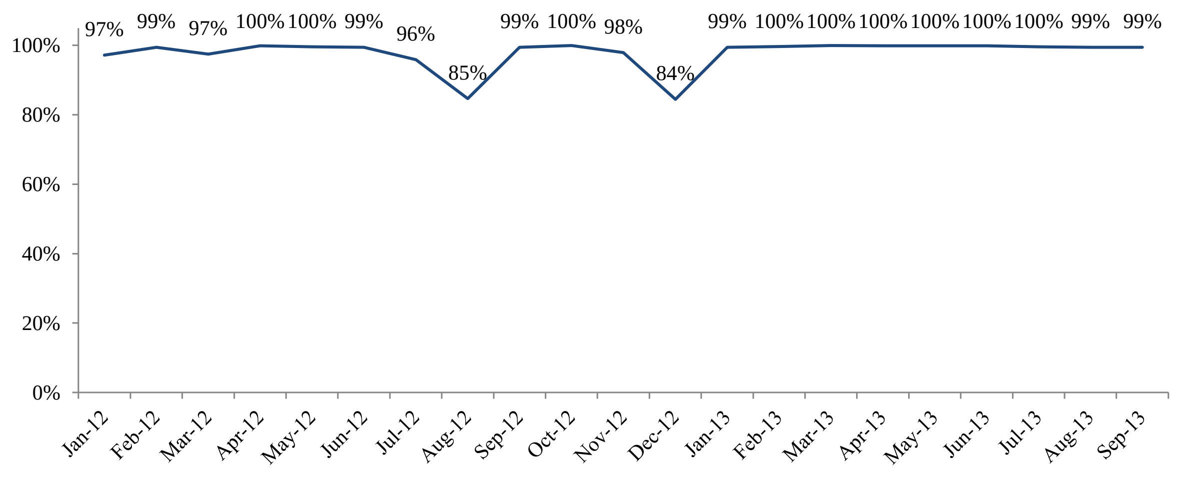
3.6.2 Codroipo

The Codroipo SPV covers 16.85 hectares of land and has a dual-axis tracker design. The plant has a contract according to the 2010 Conto Energia 2 Feed-in Tariff in Italy and commenced commercial production 11 May 2011.

With a production capacity of 3.13 MWp and an initial annual electricity production capacity of approximately 5.2 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 1.9 million and EUR 1.4 million, respectively.

The graph below illustrates the development in commercial availability for the Codroipo SPP in the period January 2012 to September 2013. 2012 production figures are influenced by the takeover process and the clean up after the previous owner.

Figure 5: Codroipo production 2012 and first nine months 2013



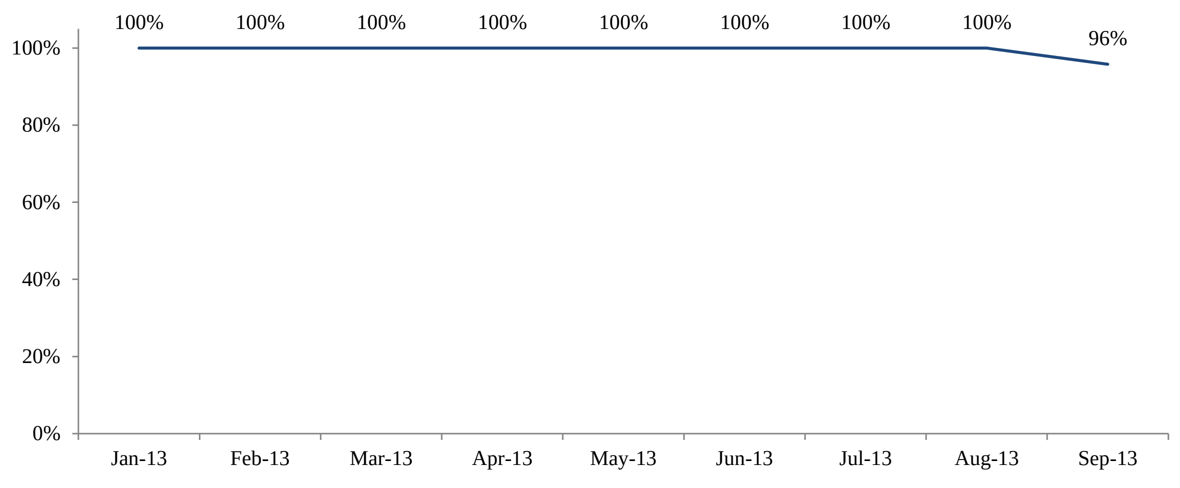
3.6.3 Momo

The Momo SPP covers 3.8 hectares of land and has a fixed tilt design. The plant has a contract according to the 2011 Conto Energia 4 Feed-in Tariff in Italy and commenced commercial production in September 2011.

With a production capacity of 1.0 MWp and an initial annual electricity production capacity of approximately 1.2 GWh, depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.4 million and EUR 0.25 million, respectively.

The graph below illustrates the development in commercial availability for the Momo SPP in the period January 2013 to September 2013.

Figure 6: Momo production first nine months 2013



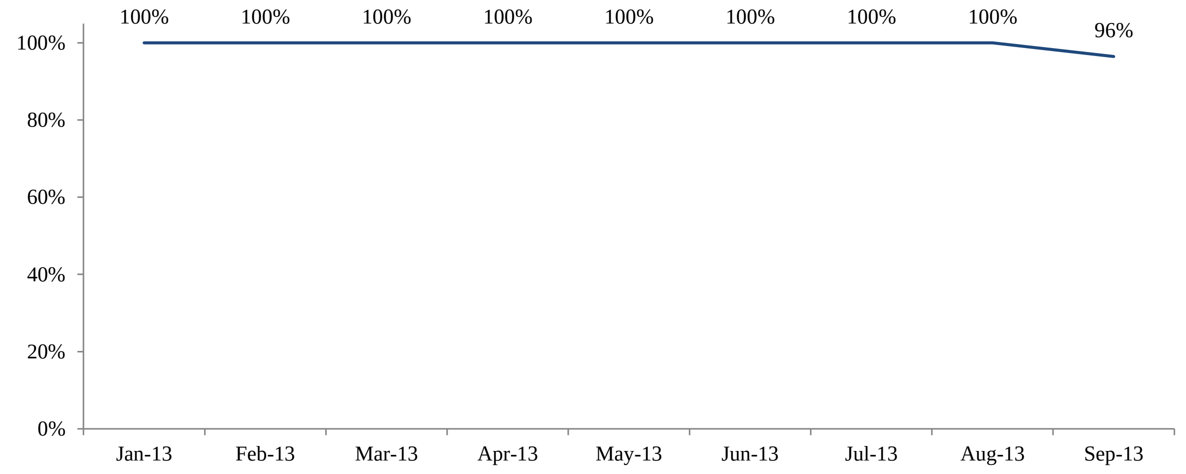
3.6.4 Caltignaga

The Caltignaga SPP covers 3.9 hectares of land and has a fixed tilt design. The plant has a contract according to the 2011 Conto Energia 4 Feed-in Tariff in Italy and commenced commercial production in September 2011.

With a production capacity of 1.0 MWp and an initial annual electricity production capacity of approximately 1.2 GWh depending on the annual solar irradiation, the plant should generate annual revenues and EBITDA of approximately EUR 0.4 million and EUR 0.25 million, respectively.

The graph below illustrates the development in commercial availability for the Caltignaga SPP in the period January 2013 to September 2013.

Figure 7: Caltignaga production first nine months 2013



For more information about the Target Companies, see section 4 of this Information Memorandum.

3.7 Management company

Management services for the Company and the plants are provided by SPM, a Norwegian private limited liability company, under an Administrative, Technical and Operational Management Agreement (the "**Management Agreement**").

The Management Agreement's structure is designed to align the interests of SPM with the interests of the shareholders in EAM Solar.

Ownership of SPM
SPM is owned 100% of Energeia Asset Management AS. Energeia Asset Management AS has the following owners:

Company/owner	Indirect ownership	Function
Jakobsen Energeia AS (Viktor E. Jakobsen)	28.334 %	Executive Director of EAM Solar ASA
Naben AS (Audun W. Iversen)	28.334 %	CEO of EAM Solar ASA
Sundt AS	28.33 %	Shareholder of EAM Solar ASA
Canica AS	7.51 %	Shareholder of EAM Solar ASA
Bjørgvin AS	7.51 %	Shareholder of EAM Solar ASA

3.8 Relationship between EAM Solar and SPM

3.8.1 Management Agreement

EAM Solar has entered into a Management Agreement with SPM who will provide all administrative, technical, and operational services to the Company. The Company has no employees. The Management Agreement contains provisions for the obligations of SPM to execute all necessary business activities such as, but not limited to:

Administrative:

- Corporate governance and administration services
- Budgets, accounting, auditing and financial reporting
- Company records
- Stock exchange and investor relations
- Government relations and taxes
- Corporate finance and treasury functions
- Legal functions
- Project identification and evaluation of investment opportunities
- Mergers and acquisitions, divestments and investments

Technical:

- Day-to-day operation of solar power plants
- Maintain adequate technical capability for contingency plans in

case of operational disruptions
- Plant maintenance and improvement programs

Operations:

- Sales and other commercial activities
- Insurance
- HSE plans
- Business and project development
- Contract management and dispute resolutions
- Office expenses and use of office facilities
- General purchasing authority

SPM has the right to sub-contract parts of these services to third parties on commercial terms. SPM may also provide similar management services to other companies or entities in the future.

The Board of Directors shall, at all times, be allowed full access to the accounts and records of SPM that are related to the services provided to the Company in accordance with the Management Agreement.

SPM is entitled to revenue equal to its directly attributable costs for providing the services to the Company, without margin. See Section 3.8.2 for details.

In addition, SPM is entitled to a royalty of 12.5% of the pre-tax profits of the Company. The annual pre-tax profit that shall form basis for calculating the royalty is defined as net result for the fiscal year after operational costs, depreciation and amortization and net financial items. As further described in an annex to the Management Agreement, certain adjustments shall be made to the pre-tax profit in order to reflect; (i) non-cash accounting items (e.g. asset write downs and revaluation); and (ii) acquisition and transaction costs which otherwise would have been expensed in the year the costs have been incurred (such costs shall be activated and depreciated during the assets operating lifetime). The royalty shall be based on the audited annual accounts, and paid out quarterly on the basis of quarterly accounts.

The royalty structure aligns the interests of SPM with the interests of the shareholders in the Company.

The Management Agreement is entered into for an initial term of 10 years. After the initial term, both parties can terminate the Management Agreement by giving 12 months' notice, at the earliest with effect from 2021. Termination by the Company triggers a termination fee of 5 times the average royalty for the preceding two fiscal years (the "**Termination Fee**").

In the instance whereby a single investor or group of investors (as defined by VPHL § 2-5) have acquired or control at least 90% of the shares in the Company (e.g. corporate take-over), the Management Agreement may be terminated by SPM on 12 months' notice. Such termination will trigger the Termination Fee.

SPM has the right under the articles of the Company to propose up to two directors of the Board of Directors of the Company.

SPM has granted the Company a right of first refusal to investment projects in Europe identified by SPM.

3.8.2 Cost reimbursement by EAM Solar under the Management Agreement

The Company will cover the costs of activities directly attributable to the operations and maintenance of EAM Solar's solar power plants and the other services as set out in the Management Agreement. Such costs include salary costs, social benefits, office costs and out-of-pocket expenses.

The Company will compensate SPM for all direct operational costs without margin. As required through the Management Agreement, SPM shall each year, and no later than the 30 November, prepare a cost budget for the following year and present it to the board of EAM Solar for approval.

The costs for 2011, 2012 and nine months 2013 were EUR 485 thousand, EUR 671 thousand and EUR 492 thousand, respectively. In the coming years the cost of active ownership are expected to decline (on a NOK per MWh basis) and the cost composition will change. The costs related to selection will be replaced by costs related to operations. By replacing outsourced contracts with in-house resources in SPM, the total costs (on a NOK per MWh basis) should come down over time.

3.8.3 Investment committee

The Board of Directors also functions as the Company's investment committee, and must sanction all major investment decisions, hereunder investments in, or acquisitions of, solar power plants. SPM will be responsible for analysing, developing and preparing investment proposals and recommendations, as well as the execution and implementation of sanctioned investments.

3.9 Quality, health, safety and environment (QHSE)

Before a construction license for a SPP is awarded, competent environmental and HSE authorities evaluate all applications. The environmental impact is evaluated and must be accepted by the authorities before construction starts. Some environmental requirements may be specified for the construction and operations phases, typically restoration of landscape after construction and maintaining of a green area at the site. HSE plans must be submitted to the authorities both for the construction and the operations periods.

The Company considers solar panels to have an expected lifetime of 30-50 years, with gradually lower efficiency. Waste management will be done within current regulations, and there is no danger of emissions from SPPs. Material recycling value is expected to exceed the dismantling and recycling cost.

3.10 Dependency on patents, licenses and other material agreements

The Company does not have any patents.

The Company depends substantially on government incentives. Without government incentives, the costs of electricity generated by PV systems currently would not be competitive with conventional energy sources (e.g., nuclear power, oil, coal and gas) in most current markets, and the availability of profitable investment opportunities to the Company would be significantly lower.

The financial crisis has reduced the availability of project and debt financing as well as equity financing. In order to yield an attractive return on investment, the Company is dependent on the availability of debt financing for the acquisitions of SPPs.

In the markets where the Company considers investing in solar power plants, including Italy, the application process for construction permits as well as grid connection and operation licenses are relatively transparent and foreseeable. All relevant licenses are awarded during the development phase or during the construction, so that the licenses are established before the Company acquires the power plant. The licenses normally have duration of 20 years or more. In general, one is entitled to apply for extension of the licenses, except the Feed-in Tariff. Normally, such extensions may be granted, assuming that commercial criteria such as land-rent contracts and good technical status of the plant are maintained, and no breach of the original license criteria has occurred during the initial license period. The relevant authorities must approve the extension.

The Company invests in already grid-connected SPPs, after the completion of the regulatory process. In Italy this means that the SPPs already have a license called Autorizzazione Unica ("**AU**"). In addition to this the purchased SPPs include agreements with the local power distributor, coordinated with the AU-process. The AU-license has a formal duration of 20-25 years.

The AU-process also includes environmental requirements, further explained in Section 3.9.

EAM Solar has entered into a Management Agreement with SPM who will provide all administrative, technical, and operational services to the Company. For more information, see Section 3.8.1.

The operating revenue from a solar power plant is a function of produced volume (electricity) and the achieved selling price per kWh. The selling price for the electricity produced by the Company's current SPPs consists of two components; (i) the Feed-in Tariff, and (ii) the market price. The FiT is managed by a governmental agency, e.g. GSE in Italy, and is a fixed, nominal fee per kWh for all energy produced over the 20 years contract period. The Company is currently selling most of the produced electricity through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader. For more information about the Company's revenue components, see section 6.1.4.

The only contractor the Company depends on is the grid operator, often ENEL Distribuzione S.p.A. or Terna S.p.A. However, as a power transmission system operator and distributor, they are under regulatory obligation to provide grid access to power plant owners.

3.11 Research and development

The Group has not undertaken any research and development activities in the period covered by the historical financial information.

3.12 Competitors

There has for some years been an interest among some large international institutional financial investors to invest in solar power plants. Some investors already have portfolios of several hundred MWp in Italy, Germany and France, as well as other markets. It is not clear how these will manage their portfolios in the time forward, and whether they are looking to expand their portfolios.

In the Nordic region there are a few players who offer power plant investments to the retail and, partly, to the institutional market. E.g. Etrion Corporation, an initiative from the Lundin Petroleum Group, is relatively well known in the Nordic region, but has a different business model than EAM Solar since it also entails project development.

It is the Company's opinion that there will be a large number of financial investors, with a range of different business models, in the solar power market.

3.13 Customers and suppliers

3.13.1 Customers

The Company's plants benefit from the Feed-in Tariffs granted by the Italian government to plants that meet the requirements defined in the decree of Ministry for Economic Development, also known as Conto Energia. In the Italian Feed-in Tariff regime, GSE, the Italian renewable energy executive authority is the only counterparty for the Feed-in Tariff production subsidy. For more information about Conto Energia, see section 6.3.2.

In addition to the Feed-in Tariff received for all energy produced, every power producer under this regime is free to sell the produced power to GSE or another power off-taker operating in the Italian power market in addition to receiving the FiT. GSE offers dispatch and production plan submission services for their clients, including the Company. The Company is currently selling most of the energy through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader.

For more information about the revenue components of an Italian SPP, the FiT and the RiD in particular, see section 6.1.4.

3.13.2 Suppliers

The Company is not dependent on any specific supplier. Basically all contractors and service providers may in principle be exchanged and substituted on relatively short notice, although at some cost. The counterparty the Company depends the most on is the grid operator, often ENEL Distribuzione S.p.A. or Terna S.p.A. However, as a power transmission system operator and distributor, they are under regulatory obligation to provide grid access to power plant owners. GSE is also an important counterparty as the administrator of the regulatory regime and incentive program. The capacity and efficiency of GSE may influence the business execution of the Company, however, the incentive program itself is well founded and funded, and is considered to be robust.

3.14 Assets necessary for production not owned by the issuer

Most power plants are located on land areas leased on long-term contracts, at least 20 years. These lease contracts are often extendable and renegotiable. In some cases it is possible to buy the land.

The Company's currently rents the land on which the Varmo and Codroipo SPPs are built. The contract durations for the two sites are 20 and 25 years, respectively. The rental contracts for SPP properties are generally at least as long as the duration of the AU license.

The land areas for Varmo and Codroipo are leased under the Italian "dirrito superfice" agreements which is an officially registered lease agreement. These agreements are applied when the municipalities determine their property taxes, and are considered to involve limited risk to the Company.

For Momo and Caltignaga, the SPV owns the land.

3.15 Key individuals

The management of the Company is carried out by SPM pursuant to the Management Agreement. For more information about the Management Agreement, see Section 3.8.

The SPM team members have complementary roles, skills and know-how. Key activities (SPV management) are partly executed in cooperation with local teams skilled in technical and commercial activities, as well as reporting and accounting at SPV level.

3.16 External factors and trend information

The market price for electricity

For both the Company's current assets and the Target Companies, the FiT received represents approx. 80-85% of the solar power plant revenues. In addition, the Company sells its power production in the power market based on the market price for electricity. The Company is currently selling most of the energy through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader. For the four SPPs the Company currently owns, this currently represents approx. 15-20% of the plant revenues. Company's dependency on the market price will primarily depend on the level of the fixed FiT relative to the market price.

The market price will be influenced by local supply and demand, energy policies and infrastructure development, as well as the price and availability of other energy sources such as oil, gas and coal. The Italian Power Exchange, IPEX, is operated by the state-owned electricity market operator ("**GME**") and can be followed at www.mercatoelettrico.org.

The market price for electricity in the whole of Italy has been under pressure since mid-2012. In Northern Italy the prices have decreased from around EUR 80 per MWh in the first part of 2012 to an annual average of around EUR 60 per MWh in 2013. Similar price trends and levels are seen in most of mainland Italy, including the south where the Target Companies are located. Based on the current market price for electricity in Italy and the outlook for 2014, the Company expects the average market price for electricity in Italy to be approximately EUR 60 per MWh in 2014.

For power plants below 1MW, including Momo, Caltignaga and all the Target SPPs, the minimum price under the RiD contract is fixed for one year ahead at a guaranteed level. This is not meant to be a subsidy, but an administrative mechanism due to the large number of small SPPs in Italy. The minimum price for 2013 was EUR 80 per MWh, and will be reduced to EUR 38.5 per MWh from 1 January 2014, in order to reflect the lower market price for electricity observed in the power market. However, as stated above, the Company expects the average market price to be higher than EUR 38.5 per MWh in 2014.

For more information about the revenue components of an Italian SPP, the FiT and the RiD in particular, see section 6.1.4.

Inflation

The Company's costs will be influenced by the level of inflation experienced in the areas in which the SPPs are located. More specific the Company's results will be dependent on the general price level for O&M services and SG&A activities.

Taxes

Changes in accounting rules, both in Norway, Italy and any other country the Company may operate in, will affect the Company's post-tax profits.

Italian energy companies with revenues and taxable income over a certain threshold have an increased tax rate, the so-called "Robin Hood Tax" (the "**Robin Tax**"). The general corporate tax rate in Italy ("**IRES**") is 27.5%, but for those companies subject to the Robin Tax, the corporate tax rate is 34%. Previously, renewable energy companies were originally exempt from the Robin Tax, but a new decree expected to be implemented in 2014, will expand the Robin Tax to also include these companies, as well as lower the threshold to companies with revenue over EUR 3 million and taxable income over EUR 300 thousand.

The Company's existing SPVs are all below the thresholds and are not subject to the Robin Tax. The Company is of the opinion that the Robin Tax will not be imposed on holding companies with several SPVs just below the threshold, since this is a tax that is due on the operating company level. However, the largest of the SPVs among the Target Companies may be subject to such tax increase since they are above the threshold. In theory it is possible to split the companies so that they will have fewer operating assets and therefore be below the threshold, however the tax authorities may not accept such retroactive splitting of SPVs.

In the coming years, the Company expects the Robin Tax in Italy to be implemented for all assets relevant to the Company and its screening process.

General economic conditions

The financial crisis in the Eurozone has made it more difficult to obtain project financing from commercial banks. This has also created opportunities for market participants with good access to capital.

If the economic climate deteriorates and the availability of both debt and equity decreases, it could slow down the growth of the Company. However, since the Company invests in SPPs with Feed-in Tariffs financed through the utility invoice of the end user, the current budget cuts observed in the Eurozone are not considered to influence the future revenues of the Company's existing assets.

Exchange rates

The Company is located in Norway, but has the main share of its operations through Italian subsidiaries. All revenues are denominated in EUR, while costs occur in both EUR and NOK. The Company's reporting currency is EUR, and the Company will thus be exposed to currency risk, primarily to fluctuations in EUR and NOK.

Solar irradiation

Even in a stable climate the weather varies from year to year, and hence the production of energy from the SPPs. This will influence the periodic revenues, and the results of operation and cash-flows of the Company. Over time the irradiation and production will likely approach the expected average, but still with the risk of less production than anticipated.

Cost of solar power equipment

The cost of solar power equipment has been dropping rapidly over the past 5 years. This is mainly driven by improved technology, economy of scale in the production as well as significant build-up of production capacity. Prices for newly installed photovoltaic power plants (on a per MWp basis) have fallen in the order of 50-70% since 2009, depending on project specific conditions like irradiation and subsidy level. It is generally assumed in the market that the installation cost will continue to fall, but at a slower rate towards 2014.

Subsidies for new solar power plants

Subsidies for new solar power plants have decreased at a similar rate as the installation cost and are expected to continue to fall in the coming years. Italy, in particular, has reached the cap for power plants eligible for subsidies, and will not issue any new subsidies under the Conto Energia scheme. Consequently, the solar power industry is increasingly in progress with the development of none-subsidized power plants. The first commercially viable projects without subsidies are coming to the market in 2013. The need for governments to subsidize new power plants in order to reach their renewable energy obligations should therefore be reduced in the coming years.

4. PRESENTATION OF THE TARGET COMPANIES

4.1 Description

The Target Companies own 31 solar power plants in the Puglia region in Southern Italy, with a combined capacity of approximately 30 MWp and an initial annual electricity production capacity of approximately 44 GWh depending on the annual solar irradiation. The Target SPPs all benefit from 20 year Feed-in Tariff contracts under Conto Energia II, Conto Energia III or Conto Energia IV. The Target SPPs were all constructed in 2011 and have been in operation since.

The Target Companies have no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar ASA and SPM. All Target SPPs currently operate under O&M contracts with a third-party service provider. As regulated by the SPA and the Production Adjustment mechanism, these O&M contracts cannot be terminated by EAM before 31 March 2015. After this date, SPM will review historical performance and seek to improve operations.

In 2014, the portfolio is expected to produce approximately 44 GWh, generating revenue in the range EUR 16 million to 17 million, with an EBITDA in the range EUR 13 million to 14 million.

Gross interest bearing debt at the financial take-over date 1 January 2013 is approximately EUR 73.4 million with a 17-year remaining instalment period. The debt financing is a mixture between financial lease and project financing with total debt service payments, including instalments and interest payments, between EUR 6.7 million and 7.3 million.

For more information about each individual solar power plant, see the table below.

Name	Installed power MWp	Power production GWh	Conto Energia regime	Feed-in Tariff EUR/MWh
Canone	1.0	1.4	CE III	303
Lombardi	1.0	1.4	CE III	303
Covelli	1.0	1.4	CE IV	320
Di Stasi	1.0	1.4	CE IV	291
Pastore	1.0	1.4	CE III	303
Taranto	1.0	1.5	CE III	303
Taranto 2	1.0	1.5	CE III	303
Taranto 3	1.0	1.5	CE III	303
Taranto 4	1.0	1.5	CE III	303
Taranto 5	1.0	1.5	CE III	303
Selvaggi	1.0	1.4	CE II	346
Di Mauro	1.0	1.4	CE II	346
SCN	1.0	1.4	CE II	346
Lomurno	1.0	1.4	CE II	346
Giordano	1.0	1.4	CE II	346
Gagnazzi	1.0	1.4	CE II	346
Gentile	1.0	1.4	CE II	346
Lorusso	1.0	1.4	CE II	346
Cirasole	1.0	1.4	CE II	346
Scaltrito	1.0	1.4	CE II	346
Pasculli	1.0	1.5	CE II	346
Pisicoli N	1.0	1.4	CE II	346
Pisicoli T	1.0	1.4	CE II	346
Marulli	0.7	1.1	CE II	346
Antonacci	1.0	1.4	CE II	346
Lorusso	1.0	1.5	CE IV	208
Brundesini	1.0	1.5	CE IV	208
Scaredino	1.0	1.5	CE IV	208
Piangevino	1.0	1.5	CE III	303
ENFO14	1.0	1.4	CE IV	231
ENFO25	1.0	1.5	CE IV	231

4.2 Legal entities

The Target Companies consist of eight legal entities, described in more detail below. The Target Companies have no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM. Each Target Company has entered into O&M contracts with a third-party service provider for the operation and maintenance of the Target SPPs.

4.2.1 ENS Solar Four S.r.l.

ENS Solar Four S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of ten solar power plants in the Puglia region in Southern Italy, with a combined capacity of 9.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

4.2.2 Energetic Source Green Power S.r.l.

Energetic Source Green Power S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of seven solar power plants in the Puglia region in Southern Italy, with a combined capacity of 6.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

4.2.3 Energetic Source Green Investment S.r.l.

Energetic Source Green Investment S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 2.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

4.2.4 Energetic Source Solar Production S.r.l.

Energetic Source Solar Production S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 4.7 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

4.2.5 ENS SolareOne S.r.l.

ENS SolareOne S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of three solar power plants in the Puglia region in Southern Italy, with a combined capacity of 2.9 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

ENS SolareOne S.r.l. owns the entire share capital of Energia Fotovoltaica 14' Societa Agricola A.r.l. and Energia Fotovoltaica 25' Societa Agricola A.r.l.

4.2.6 Aveleos Green Investments S.r.l.

Aveleos Green Investments S.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The subsidiary has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

4.2.7 Energia Fotovoltaica 14' Societa Agricola A.r.l.

Energia Fotovoltaica 14' Societa Agricola A.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

Energia Fotovoltaica 14' Societa Agricola A.r.l. is a fully-owned subsidiary of ENS Solare One S.r.l.

4.2.8 Energia Fotovoltaica 25' Societa Agricola A.r.l.

Energia Fotovoltaica 25' Societa Agricola A.r.l. is an SPV incorporated in Italy. The company owns the assets and licenses of a solar power plant in the Puglia region in Southern Italy, with a combined capacity of 1.0 MW. The company has no employees, and will subsequent to the Acquisition be managed through the management agreement between EAM Solar and SPM.

Energia Fotovoltaica 25' Societa Agricola A.r.l. is a fully-owned subsidiary of ENS Solare One S.r.l.

4.3 Existing financing agreements

As of the financial take-over date for the Acquisition, 1 January 2013, the gross interest bearing debt of the Target Companies was EUR 73.4 million.

As of 30 September 2013, gross interest bearing debt of the Target Companies was approximately EUR 70.0 million with an approximately 17-year remaining instalment period based on an annuity payment profile. The debt financing is a mixture between financial lease (approximately 83%) and project financing (approximately 17%) with total annual debt service payments between EUR 6.7 million and 7.3 million. The debt service payments are paid monthly and semi-annually for the leasing debt and the project financing, respectively. Based on the information received from the Seller as of the date of this Information Memorandum, the total debt carries an average interest rate of approximately 5.9%, based on a floating-rate interest rate combined with an interest-rate swap. As of the date of this Information Memorandum, the Company has not received the complete documentation related to the final interest rate and the interest-rate swap.

Based on the information received from the Seller, the leasing debt of the Target Companies does not have any financial covenants restricting the use of capital.

According to the information provided to the Company by the Seller, the project financing has the following financial covenants:

- Minimum debt service coverage ratio ("**DSCR**") of 1.3x
- Minimum average debt service coverage ratio ("**ADSCR**") of 1.3x
- Minimum loan life coverage ratio ("**LLCR**") of 1.35x

4.4 Legal and arbitration proceedings

Two of the Target Companies, namely ENFO 14 and ENFO 25, are involved in two different legal proceedings as they both failed to pay (i) the compensations provided under the land agreements according to which the relevant landowners gave to said Target Companies the right to construct the respective SPPs and (ii) the compensation for the performance of certain services relevant to the development of the respective SPPs to the relevant developer. The claims filed against the respective companies by the relevant developer are each relevant to approx. EUR 50 thousand.

Among others, ENFO 14 and ENFO 25, the Seller, have recently entered into an agreement, settling, inter alia, the legal claims above mentioned, subject to the fulfilment by the Target Companies and by the Seller of the provisions contained in said agreement (no evidence of the fulfilment of aid obligations was provided so far). From said agreement, it also emerges that the Seller did not entirely pay the price for the acquisition of the corporate capital of ENFO 14 and ENFO 25.

As of the date of this Information Memorandum, no further documentation relevant to pending legal and/or arbitration proceedings has been provided to the Company by the Seller.

4.5 The Group following the Acquisition of the Target Companies

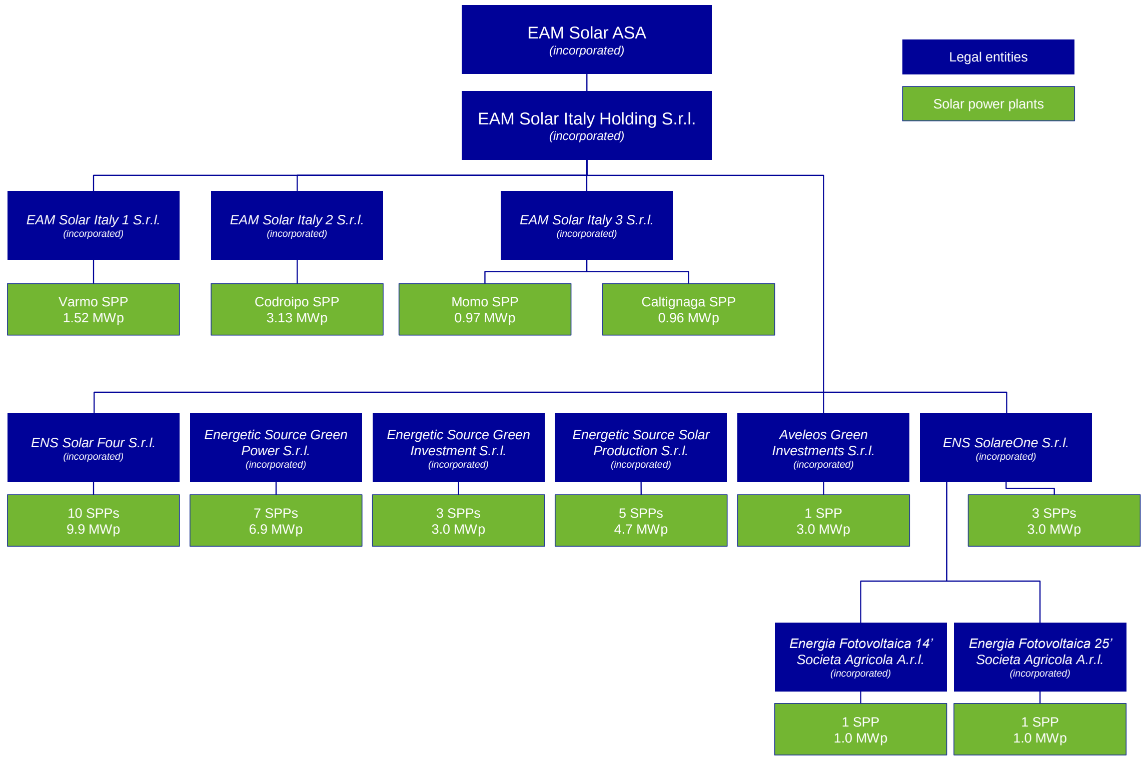
4.5.1 Description

EAM Solar currently operates four SPPs with a combined production capacity of 6.6 MWp and an annual electricity production capacity of 10 GWh. Subsequent to the Acquisition, the Company will operate 35 SPPs and have a total capacity of approximately 37.0 MWp and an annual electricity production capacity of 54 GWh. As a result of the Acquisition, the Company's expected annual revenues will increase from approximately EUR 3.6 million to approximately EUR 20.7 million, depending on annual solar irradiation. The acquisition thus represents a step change towards realising the company's communicated growth strategy.

4.5.2 New legal structure

In relation to the Acquisition of the Target Companies, the Company has established a new Italian holding company, EAM Solar Italy Holding S.r.l, a fully-owned subsidiary of EAM Solar ASA. The Company will also transfer the ownership of its existing three Italian subsidiaries to this new holding company. The figure below illustrates the planned legal structure of the Company after the closing of the Acquisition.

Figure 8: Legal structure after the Acquisition



4.5.3 Organization

In conjunction with the closing of the Acquisition and the subsequent increased scope of the Company's business in Italy, SPM will during the first half 2014 establish an operational office in Italy that will manage the day-to-day operation of the Company's solar power plants in Italy.

5. PRO FORMA FINANCIAL INFORMATION

5.1 Purpose of the unaudited pro forma condensed financial information

The acquisition of Sistema Solar 1 GmbH (Codroipo) in February 2012, the acquisition of M&T Solare S.r.l. (Momo and Caltignaga) in September 2013, and the Acquisition of the Target Companies all trigger pro-forma information (together the "**Pro Forma Triggering Acquisitions**").

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Proforma Triggering Acquisitions might have affected the Company's consolidated condensed statement of comprehensive income for 2012 and the nine months ended 30 September 2013 if the acquisitions had occurred on 1 January 2012 and 1 January 2013, respectively. In addition, a pro forma consolidated condensed statement of financial position as of 30 September 2013 is presented for the Acquisition of the Target Companies. The two other acquisitions are already fully reflected in the interim consolidated condensed statement of financial position as of 30 September 2013, thus no pro forma adjustments are required in the financial position for these acquisitions.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The unaudited pro forma condensed financial information has been compiled to comply with the Norwegian Securities Trading Act and the applicable EU-regulations pursuant to section 7-7 of the Norwegian Securities Trading Act. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma financial information would have been amended and / or removed from the Information Memorandum.

5.2 Basis for preparation

The financial pro forma information is compiled based on the following historical financial information:

EAM Solar ASA

- Audited financial statements of EAM Solar ASA for 2012
- Unaudited interim financial report of EAM Solar ASA for the third quarter 2013

Both of these documents may be found on the Company's website, www.eamsolar.no.

Sistema Solar 1 GmbH

- Unaudited IFRS data pack for January and February 2012
  - Received from the seller in the form of spreadsheet figures, not publicly available

M&T Solare S.r.l.

- Unaudited data pack prepared in accordance with Italian GAAP for the year ended 31 December 2012 and the nine months ended 30 September 2013
  - Received from the seller in the form of spreadsheet figures, not publicly available
  - Audited figures neither available nor required in Italy for this company

Target Companies

- Unaudited IFRS data pack for each of the entities for the year ended 31 December 2012 and the nine months ended 30 September 2013 (see per company in section 5.5)
  - Received from the Seller in the form of spreadsheet figures, not publicly available
  - Audited figures neither available nor required in Italy for the Target Companies

The unaudited pro forma condensed statements of comprehensive income are prepared in a manner consistent with the accounting policies of the Company (IFRS as adopted by EU) applied in 2012 and 2013. Please refer to the 2012 financial statements and the unaudited interim financial report for the third quarter 2013 for description of the accounting policies for the respective periods.

The unaudited pro forma condensed financial information for the Company does not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical information of the Company.

The unaudited pro forma financial information is presented in EUR, which is the presentation currency of EAM Solar.

5.3 Unaudited pro forma financial information

5.3.1 Unaudited pro forma condensed statements of comprehensive income

The nine months ended 30 September 2013

All figures in EUR thousand	**EAM Solar 9M 2013 IFRS Unaudited**	**M&T Solare S.r.l. 1.1-27.09.2013 ITA-GAAP Unaudited**	**Target Companies 9M 2013 IFRS Unaudited (see 5.5)**	**IFRS adjustments Unaudited**	**Pro forma adjustments Unaudited**	**Notes**	**Pro forma information 9M 2013 IFRS Unaudited**
Revenue	2 612	670	13 211	0	0		16 493
Total revenue	**2 612**	**670**	**13 211**	**0**	**0**		**16 493**
Cost of operations	-232	-66	-1 539	0	0		-1 838
Sales, general and administration expenses	-689	-101	-735	0	-375	1A	-1 900
Acquisition and financing costs	-517	0	0	0	-1 503	4A	-2 020
EBITDA	**1 174**	**502**	**10 937**	**0**	**-1 878**		**10 735**
Depreciation, amortizations and write downs	-882	-209	-3 746	-70	-1 279	1C, 3C, 4B.3	-6 186
Gain on bargain purchase	2 430	0	0	0	0		2 430
EBIT	**2 722**	**293**	**7 190**	**-70**	**-3 157**		**6 979**
Finance income	1 998	0	72	0	-69	3B	2 002
Finance costs	-209	-376	-3 081	0	375	3B	-3 291
Profit before tax	4 511	-83	4 181	-70	-2 850		5 690
Income tax gain/(expense)	-106	-93	-1 554	22	423	1B	-1 307
Profit after tax	**4 406**	**-176**	**2 628**	**-48**	**-2 427**		**4 382**

2012

All figures in EUR thousand	**EAM Solar ASA 2012 IFRS Audited**	**Sistema Solar 1 GmbH 1.1-29.2.2012 IFRS Unaudited**	**M&T Solare S.r.l. 2012 ITA-GAAP Unaudited**	**Target Companies 2012 IFRS Unaudited**	**IFRS adjustments Unaudited**	**Pro forma adjustments Unaudited**	**Notes**	**Pro forma information 2012 IFRS Unaudited**
Revenue	3 106	281	759	16 500	0	0		20 648
Total revenue	**3 106**	**281**	**759**	**16 500**	**0**	**0**		**20 648**
Cost of operations	-259	-31	-67	-738	0	0		-1 095
Sales, general and administration expenses	-1 133	0	10	-1 635	0	-405	1A	-3 164
Acquisition and financing costs	-908	0	0	0	0	-2 020	3A, 4A	-2 928
EBITDA	**806**	**251**	**703**	**14 127**	**0**	**-2 426**		**13 461**
Depreciation, amortizations and write downs	-1 036	-121	-281	-5 053	-80	-1 714	1C, 3C, 4B.3	-8 285
Gain on bargain purchase	2 668	0	0	0	0	2 430	3A	5 099
EBIT	**2 438**	**130**	**422**	**9 074**	**-80**	**-1 710**		**10 274**
Finance income	5	0	0	-2 504	2 512	0	4C	13
Finance costs	-1 853	-1	-527	-1 683	-2 512	398	2A, 3B, 4C	-6 177
Profit before tax	590	129	-105	4 888	-80	-1 310		4 110
Income tax gain/(expense)	-61	0	-101	-2 024	25	541	1B	-1 620
Profit after tax	**529**	**129**	**-206**	**2 864**	**-55**	**-771**		**2 490**

5.3.2 Unaudited pro forma condensed financial position

All figures in EUR thousand	**EAM Solar** **30.09.2013** **IFRS** **Unaudited**	**Target Companies** **30.09.2013** **IFRS** **Unaudited**	**IFRS adjustments** **Unaudited**	**Pro forma adjustments** **Unaudited**	**Notes**	**Pro forma information** **30.09.2013** **IFRS** **Unaudited**
ASSETS						
Deferred taxes	0	1 906	0	-1 906	4B.2	0
Land rights	0	1 034	4 540	0		5 574
Other intangible assets	0	6 163	-4 540	30 264	4B.1	31 888
Intangible assets	**0**	**9 103**	**0**	**28 358**		**37 461**
Property, plant and equipment	24 116	81 551	0	0		105 666
Other long-term assets	350	0	0	0		350
Tangible non-current assets	**24 466**	**81 551**	**0**	**0**		**106 017**
Receivables	1 942	16 659	0	3 375	4D	21 976
Other current assets	181	5 097	0	0		5 278
Cash and short-term deposits	4 102	7 966	0	0		12 068
Current assets	**6 225**	**29 722**	**0**	**3375**		**39 322**
TOTAL ASSETS	**30 691**	**120 376**	**0**	**31 733**		**182 800**
EQUITY						
Issued capital	2 859	60	0	4 927	4B.5	7 496
Share premium	0	0	0	42 884	4A, 4B.5	41 731
Paid-in capital	**2 859**	**60**	**0**	**47 811**		**49 227**
Translation differences	350	0	0	0		350
Other equity	26 495	22 171	0	-23 674	4A, 4B.4	24 992
Total other equity	**26 845**	**22 171**	**0**	**-23 674**		**25 342**
Total equity	**29 704**	**22 231**	**0**	**24 136**		**74 569**
LIABILITIES						
Long-term loans and borrowings	0	69 981	0	0		69 981
Derivative financial instruments	0	4 608	0	0		4 608
Deferred tax liability	0	0	0	7 597	4B.1	7 597
Other non-current liabilities	0	533	0	0		533
Total non-current liabilities	**0**	**75 122**	**0**	**7 597**		**82 719**
Trade payables	814	11 267	0	0		12 081
Income tax payable	172	1 498	0	0		1 670
Short-term loan – interest bearing	0	7 474	0	0		7 474
Other current liabilities	0	2 784	0	0		2 784
Total current liabilities	**987**	**23 022**	**0**	**0**		**24 009**
Total liabilities	**987**	**98 144**	**0**	**7 597**		**106 728**
TOTAL EQUITY AND LIABILITIES	**30 691**	**120 376**	**0**	**31 733**		**182 800**

5.4 Notes to the unaudited pro forma financial information

5.4.1 Notes related to the condensed consolidated figures

Note 1A SPM financial participation mechanism
SPM is entitled to 12.5% of the pre-tax profit of the Company, defined as the net result for the fiscal year after operational costs, depreciation and amortization of financial items. If the Pro Forma Triggering Acquisitions had all been completed at the beginning of the respective periods, the increased management fee is estimated to EUR 405 thousand and EUR 375 thousand for 2012 and the nine months ended 30 September 2013, respectively. The adjustment will have continuing impact.

Note 1B Tax effects of pro forma adjustments
The effective tax rate for the IFRS and pro forma adjustments have been assumed to be 31.4%, based on the IRES tax rate of 27.5% and the IRAP tax rate of 3.9%. All pro forma adjustments have been assumed to have tax effect, except for the transaction costs and the gain on bargain purchase. The total pro forma adjustments related to reduced taxes have been calculated to EUR 541 thousand and EUR 423 thousand for 2012 and the nine months ended 30 September 2013, respectively.

The pro forma adjustments related to tax only have continuing impact if the respective underlying pro forma adjustments have continuing impact.

Note 1C Depreciation
The Company depreciates its assets based on a component approach where certain material parts of the solar plants such as inverters and control and transmission systems are considered significant parts and depreciated separately (useful life of 11 years).

Sistema Solar 1 GmbH depreciated the solar plant as one sole asset (useful life of 20 years). Assuming that the acquisition of Sistema Solar 1 GmbH occurred on 1 January 2012, the depreciation according to the Company's depreciation method needs to be adjusted for (from sole asset to component approach) in January and February 2012. A pro forma adjustment to increase depreciation by EUR 9 thousand in 2012 is therefore included. The adjustment will have continuing impact.

Both M&T Solare S.r.l and the Target Companies depreciated the solar plant as one sole asset (useful life of 20 years). Due to the lack of available information at the time of this Information Memorandum, no pro-forma adjustments in this respect have been made for these two acquisitions. However, the Company expects that this would have led to a pro-forma adjustment reducing the depreciation for 2012 and the nine months ended 30 September 2013. The adjustments would have had continuing impact.

Note 2-4 IFRS and pro forma adjustments for each of the three Pro Forma Triggering Acquisitions
See section 5.4.2, 5.4.3 and 5.4.4 for details about the IFRS and pro forma adjustments for each of the three Proforma Triggering Acquisitions.

5.4.2 Notes related to the acquisition of Sistema Solar 1 GmbH (Codroipo)

On 29 February 2012, the Company acquired 100% of the voting shares in Sistema Solar 1 GmbH (Codroipo) Solon Investments GmbH for EUR 12.7 million. The acquisition was paid for in cash through the Company's fully-owned subsidiary EAM Solar Italy 2 S.r.l. Sistema Solar 1 GmbH was a German company with a permanent establishment in Italy and a solar plant in Italy, operating a solar power plant close to the city of Codroipo in the Friuli-Venezia Giulia region in Northern Italy.

The net assets acquired in the acquisition of Sistema Solar GmbH were as follows:

Figures in EUR	**Fair value on acquisition**
Cash and cash equivalents	1 464 084
Trade accounts receivable	284 648
Other receivables	70 670
Fixed assets	13 932 326
Accruals for taxes in Italy	-326 540
Other current payables	-45 969
Total identifiable net assets at fair value	**15 379 219**
Gain on bargain purchase from the acquisition	-2 668 237
Total consideration	**12 710 982**
Cash	12 450 000
Deferred payment	260 982
Total consideration	**12 710 982**
Cash paid	-12 450 000
Cash in acquired entities	1 464 084
Net cash flow on acquisition	**-10 985 916**

As part of the acquisition, the Company has identified a gain on bargain purchase of EUR 2.7 million, which has been recognized in the 2012 consolidated financial statement and therefore no pro forma adjustment is required for this.

As the acquisition is fully reflected in the unaudited consolidated statement of position as of 30 September 2013, no pro forma adjustment is required in the unaudited pro forma condensed financial position is required for this acquisition. As the acquisition is fully reflected in the unaudited consolidated statement of comprehensive income for the nine months ended 30 September 2013, no pro forma adjustment is required in the unaudited statement of comprehensive income for this acquisition.

Note 2A Finance costs
The acquisition of Sistema Solar 1 GmbH was financed by the Company with equity and a shareholder loan of NOK 45 million (EUR 5.9 million). The loan carries an annual interest rate of 13% per annum. Therefore the interest expense is increased by EUR 128 thousand for the two months not already included in the audited consolidated financial statements of the Company. The adjustment will have continuing impact.

5.4.3 Notes related to the acquisition of M&T Solare S.r.l. (Momo and Caltignaga)

On 27 September 2013, the Company acquired 100% of the voting shares in M&T Solare S.r.l. (Momo & Caltignaga) for EUR 3.5 million. The acquisition was paid for in cash through the EAM Solar ASA's fully owned subsidiary EAM Solar Italy 3 S.r.l. M & T Solare S.r.l. is an Italian company, operating two plants in the Novara province in Northern Italy. As part of the acquisition, the Company identified a gain on bargain purchase of EUR 2.4 million, which has been provisionally recognized in the unaudited third quarter report.

The net assets acquired in the acquisition of M&T Solare S.r.l. were as follows:

Figures in EUR	**Fair value on acquisition** *(preliminary analysis)*
Cash, bank & securities	149 731
Receivables	515 809
Inventories, advances to suppliers etc.	124 802
Accounts payable and accrued liabilities	-101 163
Corporate tax	-142 499
Tax withholdings, public fees, payroll tax, etc.	-6 080
Other current liabilities	-15 359
Deferred tax advantage	21 884
Land & buildings, offices etc.	555 720
Operational machinery	4 838 143
Total identifiable net assets at fair value	**5 940 989**
Gain on bargain purchase from the acquisition	-2 422 269
Total consideration	**3 518 720**
Gain on bargain purchase from the acquisition	-2 422 269
Total consideration	**3 518 720**
Cash	3 518 720
Total consideration	**3 518 720**
Cash paid	-3 518 720
Cash in acquired entities	149 731
Net cash flow on acquisition	**-3 368 989**

As the acquisition is fully reflected in the unaudited consolidated condensed statement of financial position as of 30 September 2013, no pro forma adjustment is required in the financial position for this acquisition.

Note 3A Gain on bargain purchase option and acquisition costs
The gain on bargain purchase and of EUR 2.4 million and the acquisition costs of EUR 0.5 million related to the M&T Solare S.r.l. acquisition have been recognized in the Company's unaudited consolidated interim statement of comprehensive income for the nine months ended 30 September 2013. Pro forma adjustments have been made to also reflect these items in the pro forma statement of comprehensive income for 2012. The adjustments will not have continuing impact.

Note 3B Funding
M&T Solare S.r.l. had a loan of approximately EUR 6 million prior to the acquisition by EAM Solar ASA. The loan was repaid in connection with the acquisition. Since the assets are financed by equity after the acquisition, the pro forma statements of comprehensive income has been reduced by the identifiable interest expenses related to this loan. This amounts to EUR 526 thousand and EUR 375 thousand for 2012 and the nine months ended 30 September 2013, respectively.

If the acquisition had been completed on 1 January 2013, the Company's bank deposits would have been EUR 3.5 million lower and the historical finance income has been reduced by EUR 69 thousand for the nine months ended 30 September 2013 (no finance income in 2012). The adjustments to the finance income and costs will have continuing impact.

Note 3C IFRS adjustment - Capitalized start-up costs
Under Italian GAAP, as of 31 December 2012 and 30 September 2013, EUR 80 thousand and EUR 70 thousand have been capitalized as start-up costs, respectively. These figures have been written off in the adjustment to IFRS. The adjustments will have continuing impact.

5.4.4 Notes related to the Acquisition of the Target Companies

On 31 December 2013, the Company signed the SPA to purchase from Aveleos S.A. the entire share capital of the Target Companies owning a portfolio of 31 solar power plants in Southern Italy, with a combined capacity of 30 MWp and an annual electricity production capacity of approximately 44 GWh. The Target Companies are Italian companies, combined operating 31 solar power plants in the Puglia region in Southern Italy.

As of the date of this Information Memorandum, the Private Placement to finance the Acquisition of the Target Companies has not been conducted. The pro-forma financial information in the prospectus related to the Private Placement will thus be subject to change based on the final result of the Private Placement.

ENS 1 owns the entire share capital of ENFO 14 and ENFO 25. In the unaudited pro forma figures the consolidated financial figures for these three companies are presented.

The acquisition of the Target Companies has in the unaudited pro forma financial information been recorded in accordance with IFRS 3 Business Combination that requires the acquirer's identifiable assets, liabilities and contingent liabilities to be recognized at their fair values in the opening balance of the combined company. A preliminary purchase price allocation (PPA) has been performed in which the identifiable assets, liabilities and contingent liabilities of the acquired companies have been identified. A final PPA has not been prepared as of to date as only limited information and time have been available in preparation of the PPA. The PPA in the unaudited pro forma financial information is based on the 30 September 2013 balance sheet of the Target Companies. The transaction costs related to the Acquisition have been estimated at EUR 1.5 million. It should be noted that further and more complete information regarding the assets and liabilities acquired may change the values allocated to the identifiable tangible and intangible assets and liabilities in the final PPA. The Company expects to complete a final PPA in connection with the closing of the Acquisition.

The net assets acquired in the acquisition of the Target Companies were as follows as of 30 September 2013:

Figures in EUR	**Fair value on acquisition** *(preliminary analysis)*
Adjusted tax	401 535
Intangible assets	8 764 318
Other long-term assets	338 979
Cash and cash equivalents	7 965 611
Trade accounts receivable	5 355 443
Other receivables	21 563 971
Fixed assets	81 550 629
Addition to fixed assets	30 264 316
Accruals for taxes in Italy	-4 281 629
Other current payables	-23 904 077
Long-term debt	-70 382 414
Long-term liabilities	-5 140 909
Change in deferred tax liability	-9 502 995
Total identifiable net assets at fair value	**42 992 777**
Goodwill	0

Total net assets at fair value	**42 992 777**
Cash	46 367 777
Contingent consideration, electricity price adjustment	-3 375 000
Total consideration	**42 992 777**
Cash paid	-46 367 777
Cash in acquired entities	7 965 611
Net cash flow on acquisition	**-38 402 166**

Note 4A Acquisition and financing costs
The Company estimates that direct expenses related to the Acquisition will be approximately EUR 1.5 million and has been expensed in the pro forma income statements and reduced cash and other equity in the pro forma balance sheet. In the calculation of the SPM financial participation mechanism, these costs are added back to pre-tax profit and allocated over the 20 year lifespan of the acquired assets in accordance with the Management Agreement. The estimated expenses related to the Private Placement have been accounted for as a deduction from equity. The adjustments will not have continuing impact.

Note 4B Purchase price allocation
4B.1: The total consideration for the Acquisition of the Target Companies have been set at EUR 43.0 million based on the Company's best estimate for the adjustments of the purchase price according to the price adjustment mechanisms in the SPA, to be measured based on the 2014 figures of the Target Companies. In addition to the total consideration EAM will pay the Earn-out amount of EUR 3.375 million to an escrow agent. Based on the current market price for electricity in Italy, the Earn-out amount is expected to be repaid in full in 2015. The combined book value of equity in the Target Companies as of 30 September 2013 was EUR 22.3 million, resulting in an excess value of EUR 20.8 million.

The excess value has been allocated according to a preliminary purchase price allocation. The preliminary purchase price allocation has allocated EUR 30.3 million to fixed assets, since the solar power plants are the main sources of value for the Target Companies. The deferred tax liability associated with the excess value allocated to other intangible assets equals EUR 9.5 million, based on a nominal Italian corporate tax rate of 31.4% of the total allocated amount.

4B.2: The deferred tax assets of EUR 1.9 million have been netted against the deferred tax liabilities, as it is expected that taxes can be offset between the Italian companies.

4B.3: Excess value allocated to other intangible assets is amortized linear over the remaining life of the assets, estimated to be seventeen years and nine months. The full-year amortization effect in 2012 is estimated to EUR 1,705 thousand, and the nine month effect in 2013 is estimated to be EUR 1,279 thousand. Pro-forma adjustments have been made accordingly for the line item depreciation, amortization and write downs in the unaudited pro forma condensed statements of comprehensive income for 2012 and the nine months ended 2013.

4B.4: The equity of the acquired companies has been nulled as part of the acquisition, reducing the issued capital by 60 thousand and other equity by EUR 22.2 million. Including the expenses related to the Acquisition of EUR 1.5 million, as explained in Note 4A, other equity is reduced by EUR 23.7 million in the pro-forma adjustments.

4B.5: The increase of the share capital through the Private Placement has been made based on preliminary simplified assumptions and will be subject to change following the completion of the Private Placement.

These adjustments will have continuing impact.

Note 4C IFRS adjustment - Negative financial income reclassified to financial costs
For two of the Target SPVs, ESN 4 and ESSP, the IFRS data pack received from the Seller, interest expenses have been erroneously classified as financial income in 2012. An adjustment has been made to correct this. This adjustment will not have continuing impact.

Note 4D Earn-out adjustment
As described in section 2.2 of this Information Memorandum, EUR 3.375 million of the Purchase Price will be deposited in an escrow account. Based on the current market price in Italy and its estimates for 2014, the Company expects the entire Earn-out amount to be repaid to the Company in 2015. The Earn-out amount of

EUR 3.375 million will be paid in cash in relation to the closing of the Acquisition, but has been recognized as a receivable in the pro-forma figures. Thus, as described in note 4B, the initial cash is expected to be approx. 46.4 million, but the actual purchase price based on the Company's current best estimates will be EUR 43.0 million.

These adjustments will have continuing impact.

5.5 Unaudited financial information for the Acquisition of the Target Companies

5.5.1 Statements of comprehensive income information for the Target Companies

The nine months ended 30 September 2013

All figures in EUR thousand	**ESN 4 9M 2013 IFRS Unaudited**	**ESGP 9M 2013 IFRS Unaudited**	**ESGI 9M 2013 IFRS Unaudited**	**ESSP 9M 2013 IFRS Unaudited**	**ENS 1 9M 2013 IFRS Unaudited**	**AGI 9M 2013 IFRS Unaudited**	**Target Companies 9M 2013 IFRS Unaudited**
Revenue	4 211	3 248	1 390	2 300	1 677	385	13 211
Total revenue	**4 211**	**3 248**	**1 390**	**2 300**	**1 677**	**385**	**13 211**
Cost of operations	-623	-186	-108	-259	-315	-50	-1 539
Sales, general and administration expenses	-242	-152	-81	-160	-79	-21	-735
Acquisition and financing costs	0	0	0	0	0	0	0
EBITDA	**3 346**	**2 910**	**1 202**	**1 881**	**1 283**	**314**	**10 937**
Depreciation, amortizations and write downs	-1 254	-765	-397	-651	-570	-110	-3 746
Gain on bargain purchase	0	0	0	0	0	0	0
EBIT	**2 092**	**2 145**	**805**	**1 231**	**713**	**204**	**7 190**
Finance income	0	31	18	21	2	0	72
Finance costs	-1 290	-574	-318	-625	-244	-31	-3 081
Profit before tax	802	1 603	506	626	471	173	4 181
Income tax gain/(expense)	-302	-551	-192	-237	-188	-83	-1 554
Profit after tax	**500**	**1 052**	**313**	**389**	**284**	**90**	**2 628**
Other comprehensive income							
Movement on cash flow hedges	0	0	0	0	0	0	0
Deferred tax impact	0	0	0	0	0	0	0
Other comprehensive income for the year, net of tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the year	**500**	**1 052**	**313**	**389**	**284**	**90**	**2 628**

2012

All figures in EUR thousand	**ESN 4 2012 IFRS Unaudited**	**ESGP 2012 IFRS Unaudited**	**ESGI 2012 IFRS Unaudited**	**ESSP 2012 IFRS Unaudited**	**ENS 1 2012 IFRS Unaudited**	**AGI 2012 IFRS Unaudited**	**Target Companies 2012 IFRS Unaudited**
Revenue	5 279	4 498	1 818	2 564	2 145	196	16 500
Total revenue	**5 279**	**4 498**	**1 818**	**2 564**	**2 145**	**196**	**16 500**
Cost of operations	-99	-128	-59	-308	-136	-8	-738
Sales, general and administration expenses	-655	-356	-176	-187	-255	-6	-1 635
Acquisition and financing costs	0	0	0	0	0	0	0
EBITDA	**4 524**	**4 013**	**1 584**	**2 069**	**1 754**	**182**	**14 127**
Depreciation, amortizations and write downs	-1 659	-1 162	-523	-845	-753	-111	-5 053
Gain on bargain purchase	0	0	0	0	0	0	0
EBIT	**2 866**	**2 851**	**1 060**	**1 224**	**1 001**	**72**	**9 074**
Finance income	-1 640	2	5	-873	2	0	-2 504
Finance costs	0	-847	-395	1	-419	-22	-1 683

Profit before tax	1 226	2 006	669	353	584	49	4 888
Income tax gain/(expense)	-606	-773	-233	-177	-219	-16	-2 024
Profit after tax	**621**	**1 232**	**436**	**176**	**365**	**33**	**2 864**
Other comprehensive income							
Movements on cash flow hedges	0	0	0	-713	0	0	-713
Deferred tax impact	0	0	0	196	0	0	196
Other comprehensive income for the year, net of tax	**0**	**0**	**0**	**-517**	**0**	**0**	**-517**
Total comprehensive income for the year	**621**	**1 232**	**436**	**-341**	**365**	**33**	**2 347**

5.5.2 Balance sheet information for the Target Companies

<u>As of 30 September 2013</u>

All figures in EUR thousand	**ESN 4 30.09.2013 IFRS Unaudited**	**ESGP 30.09.201 IFRS Unaudited**	**ESGI 30.09.2013 IFRS Unaudited**	**ESSP 30.09.2013 IFRS Unaudited**	**ENS 1 30.09.2013 IFRS Unaudited**	**AGI 30.09.2013 IFRS Unaudited**	**Target Companies 30.09.2013 IFRS Unaudited**
ASSETS							
Deferred taxes	1 906	0	0	0	0	0	1 906
Land rights	319	264	132	0	318	0	1 034
Other intangible assets	4 540	82	0	-17	1 558	0	6 163
Intangible assets	**6 765**	**346**	**132**	**-17**	**1 876**	**0**	**9 103**
Property, plant and equipment	25 634	17 972	9 216	15 041	11 198	2 490	81 551
Other long-term assets	0	0	0	0	0	0	0
Tangible non-current assets	**25 634**	**17 972**	**9 216**	**15 041**	**11 198**	**2 490**	**81 551**
Receivables	7 616	2 953	1 169	2 073	2 339	508	16 659
Other current assets	557	2 211	1 457	569	294	9	5 097
Cash and short-term deposits	363	1 341	400	4 845	968	48	7 966
Current assets	**8 537**	**6 506**	**3 027**	**7 487**	**3 601**	**564**	**29 722**
TOTAL ASSETS	**40 936**	**24 825**	**12 375**	**22 512**	**16 675**	**3 054**	**120 376**
EQUITY							
Issued capital	10	10	10	10	10	10	60
Share premium	0	0	0	0	0	0	0
Paid-in capital	**10**	**10**	**10**	**10**	**10**	**10**	**60**
Translation differences	0	0	0	0	0	0	0
Other equity	6 490	5 640	2 729	3 148	3 460	704	22 171
Total other equity	**6 490**	**5 640**	**2 729**	**3 148**	**3 460**	**704**	**22 171**
Total equity	**6 500**	**5 650**	**2 739**	**3 178**	**3 470**	**714**	**22 231**
LIABILITIES							
Long-term loans and borrowings	26 429	15 801	8 140	13 080	6 530	0	69 981
Derivative financial instruments	2 485	0	0	1 763	360	0	4 608
Deferred tax liability	0	0	0	0	0	0	0
Other non-current liabilities	86	94	83	27	237	6	533
Total non-current liabilities	**28 999**	**15 895**	**8 223**	**14 870**	**7 128**	**6**	**75 122**
Trade payables	590	1 882	798	3 530	3 080	1 386	11 267
Income tax payable	281	598	183	250	129	55	1 498
Short-term loan – interest bearing	3 492	0	0	702	2 415	865	7 474
Other current liabilities	1 073	799	432	0	452	28	2 784
Total current liabilities	**5 436**	**3 280**	**1 413**	**4 483**	**6 076**	**2 334**	**23 022**
Total liabilities	**34 436**	**19 175**	**9 636**	**19 353**	**13 204**	**2 340**	**98 144**
TOTAL EQUITY AND LIABILITIES	**40 936**	**24 825**	**12 375**	**22 532**	**16 675**	**3 054**	**120 376**

6. MARKET OVERVIEW

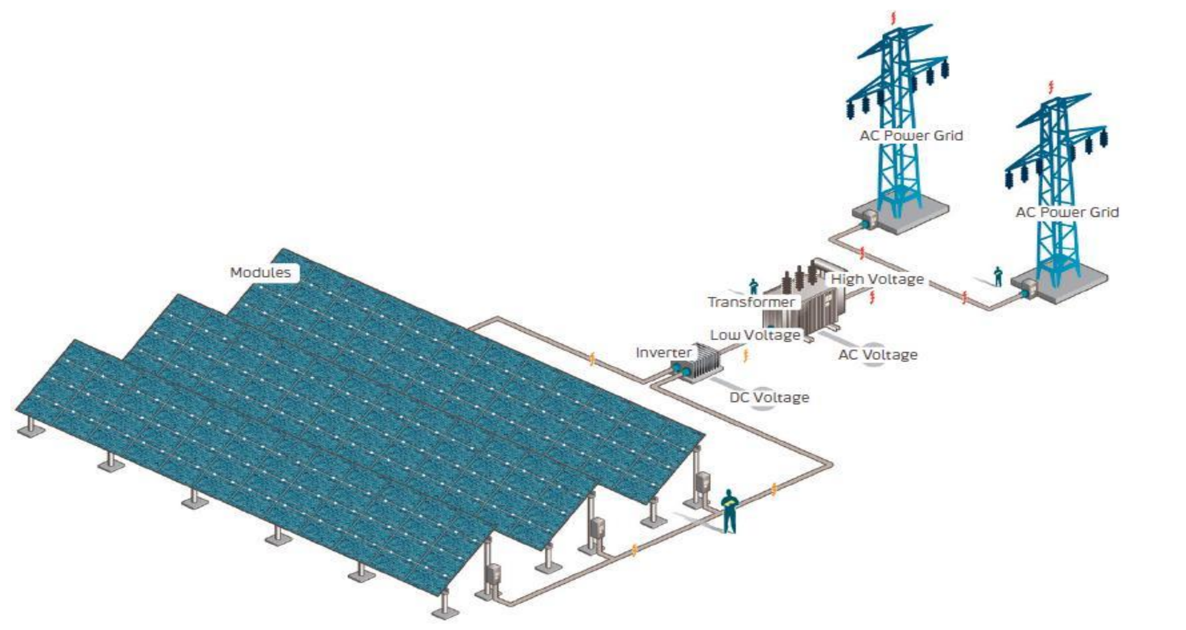
The information in this Section includes information from third-party sources. The information has been accurately reproduced as far as the Company is aware of and no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.1 Investing in a photovoltaic power plant

6.1.1 Characteristics of photovoltaic power plants

The following figure illustrates the main components of a photovoltaic (**"PV"**) power plant, commonly referred to as a solar power plant.

Figure 9: Main components of a PV power plant (rights reserved)



Source: The Company

A solar power plant consists of PV modules, which are connected in parallel and/or series into "strings". Several strings are combined and connected to an inverter that maximises the power production at any given time, and converts the DC power from the modules to AC power. Each power plant will a have a specific inverter configuration, but inverters with a capacity of about 1 MWp are common. To reach the necessary voltage and power quality, the power from the inverters goes through a transformer station before the grid connection.

Solar power plants contain few moving parts, except for secondary systems such as cooling fans and mechanical switches. Solar tracking mechanisms, where the modules follow the sun across the sky are mechanically more complex than fixed PV modules, but the modest increase in O&M cost is well compensated by higher power production (yield).

The solar power plant itself comprises a monitoring system that observes the performance of all main components, and an integrated remote operating system where components and subsystems can be controlled according to the status of the plant.

A solar power plant also comprises a perimeter fence, admission gates, internal roads and various site-specific civil works, as well as a security surveillance system including sensors, alarms and close circuit TV (CCTV) cameras.

6.1.2 PV power plant development, construction and operation

The development of a PV power plant project consists of two integrated processes; the legal authorisation process, and the technical planning and construction process. After these two processes are completed, the PV power plant enters into the operational phase of its life cycle.

6.1.3 Regulatory framework and support systems in Europe

The regulatory framework in Europe consists of a wide range of laws, decrees and provisions, on both national and regional levels, driven by the countries response to the renewable energy obligation within the European Union. Each country has defined a target installed capacity.

Country specific programmes define the criteria each PV power plant must meet in order to be eligible for a particular Feed-in Tariff rate. As targets are being met sooner than expected, tariffs are reduced or withdrawn for new projects; forcing the PV industry to find solutions based on commercial and not subsidised business models.

6.1.4 Revenue components

The operating revenue from a solar power plant is a function of produced volume (electricity) and the achieved selling price per kWh.

<u>Selling Price</u>
The selling price for the electricity produced by an Italian PV plant normally consists of two components; (i) the Feed-in Tariff ("**FiT**"), and (ii) the market price.

(i) Feed-in Tariff

The FiT is managed by a governmental agency, e.g. Gestore Servizi Energetici ("**GSE**") in Italy or Bundesnetzagentyr in Germany, and is a fixed, nominal fee per kWh for all energy produced over the 20 years contract period.

(ii) Market price

In Italy PV plant owners can sell the electricity produced to GSE through the standard contract "Ritiro Dedicato" ("**RiD**", dedicated off-take regime) at a guaranteed price. For power plants below 1 MWp installed power, the RiD contract has a minimum price guarantee. The minimum price is defined by the authorities in the beginning of each year. Every hour the market price is below the minimum price, the minimum price prevails. The minimum price is not considered to be a subsidy, but a risk levelling mechanism. The minimum price should therefore follow the projected average market price. For power plants larger than 1 MWp there is no minimum price guarantee. In addition to the GSE standard contracts, the SPP owner can sell its power production volume in the marketplace.

In 2012, AEEG provided new requirements to be met by renewable energy producers in order to promote better forecasting of the electricity injected into the grid, and to avoid the cost of missing forecasts to be paid only by the consumers. Due to the regulatory change, all power producers are required to participate in the Energy Imbalance Market from 1 January 2013. This means that for each power plant the planned production for each hour of the next market day must be submitted to the power exchange (IPEX).

As an illustration for a solar power plant, when the weather forecast for the relevant day "is partly cloudy" one would typically submit a slightly reduced production plan for each solar irradiation hour. However, in reality when the day appears, some hours will have clear skies and full production, while other hours will be cloudy with significantly reduced production. It may happen that the power plant therefore produces a different volume in each hour than it submitted to the market place (the power exchange). Depending on the physical power balance (over/under production) in the market, the power plant will receive an increase / decrease in the power price if the power plant produces less/more, respectively, than submitted.

The new rules came into force on 1st January 2013 and where revised in Q3 2013. Generally, any deviation larger than 20% of the nominated energy dispatch will be subject to imbalance fees.

As a consequence of the above mentioned legislative change, the GSE has determined that any revenue/expense resulting from the new imbalance regime, shall be allocated to the PV plants which benefit from the dedicated off-take regime. In addition, the GSE shall charge administrative costs for managing the imbalances.

Market experience per November 2013 indicates that the actual imbalance risk is relatively minor. The cost is predominantly due to administration. Imbalance fees seem to have a minor impact.

In addition to the Feed-in Tariff received for all energy produced, the Company is currently selling most of the energy through a RiD contract with GSE, and a smaller share (about 25%) on a commercial PPA with imbalance risk cap to a European power trader.

Production volume
The volume of power production in a solar power plant is a function of

1. Solar irradiation (W/m2)
2. Installed capacity of the plant (MWp)
3. The Performance Ratio ("**PR**") of the plant (Efficiency of the power plant in %)

Estimates for the *solar irradiation* figures can be found using dedicated databases, such as PV-GIS, on-site measurements or triangulations of various sources. In some cases, a time series of on-site measurement data exists. Various solar irradiation estimates, even from high quality sources, may differ significantly and the Company follows the industry practice to use selections of meteorological data close to the average of existing data sets.

The *installed capacity* is derived from the number of and types of modules and other equipment installed in the solar power plant. These figures are again adjusted for various efficiency losses to give an approximation of the true capacity of the power plant over time:

1. Degradation of the modules
2. Performance Ratio i.e. inherent system losses
3. Availability rate – the proportion of time the power plant is available to deliver electricity on the grid

The Performance Ratio describes the efficiency of the power plant, i.e. how much of the power production capacity in the solar cell which is delivered at the grid, after accounting for shadows, cell and module inefficiencies, cable losses, inverter and transformer losses, and some other loss phenomena. An average annual PR in the range of 75-85% is typical, depending on the definition of PR that is applied, and the design and location of the power plant.

Risk & hedge
The risk elements of the revenue side are mainly related to
- Production (and efficiency) loss
- Administrative problems

Production loss will result in revenue loss. This may occur if the solar power plant remains disconnected from the grid longer than necessary, for example when temporarily disconnected by the grid operator in periods of high system loads. Alternatively, production loss may occur as a result of system failure or accident, for example due to lightning, fire, equipment failure or other incidents.

Administrative problems such as bureaucratic lags and delays, discrepancy in communication and requirement between the different public offices resulting in e.g. missing stamps/approvals, notarised versions, or other, will in most cases not incur revenue loss, but more likely in a delayed cash flow which again leads to indirect costs.

Revenue loss resulting from production loss can be, wholly or partially, compensated for by insurance and guarantees from the contractors, as well as mitigated by comprehensive risk management systems and excellence in operations.

Fluctuation and uncertainty in future power prices can be offset by entering into long-term power purchase agreements with fixed prices. The Company will consider such power sales alternatives if it is deemed beneficial for reducing the revenue risk.

6.1.5 Costs

The following list comprises the main operating cost elements for a solar power plant:

- General maintenance
- Land rent
- Insurance premium
- Security and surveillance
- Auxiliary power and data communication
- Administrative cost
- Depreciation
- Tax

These elements are described in more details below.

Maintenance
According to the EAM Solar business plan, third party technical O&M partners will be contracted for the technical maintenance and operation. This service is currently available at an annual cost of EUR 20,000-35,000 per MWp of installed capacity.

These costs are likely to be reduced in the future based on the following cost reduction drivers:

1. Increased degree of in-sourcing of operations and maintenance activities
2. Increased volume and economies of scale
3. Increased competition
4. Higher quality of service

EAM Solar has observed a growth in the number of suppliers of O&M services, as well as an increased focus on the quality of service, driven by the demands of more professional PV power plant owners.

Land rent
There are three different titles to holding land; ownership, rent/lease, and "surface rights" (Diritto Superficie).

Should the Company purchase land, the expenditure will be capitalised and not expensed.

Lease agreements may entail an upfront payment, which will be accrued over the lease period, and may also entail a yearly fee that is either fixed in nominal terms or inflation adjusted. There are large variations in pricing levels and price structures in Italy. The duration of lease agreements are typically 20-25 years, frequently with an option to extend.

Insurance
Various types of insurance coverage are available:

- Property damage
- Business interruption
- Product warranty

Property insurance for solar power plants is typically priced at 1.5-2.5 ‰ of insurance value (replacement cost).

Typical coverage is:

- Fire
- Theft
- Weather or nature forces, such as wind, hail, lightning, frost, snow load etc.

Property Damage and Business interruption coverage is typically priced at 1.5-2.5‰ of total insurance sum, i.e. replacement values for assets plus gross profit and fixed cost, business interruption value depending on the chosen indemnity period for this coverage. Insurance premiums also depend on level of deductible and waiting period for business interruption (normally 7-14 days).

Other coverage is possible and will be evaluated, such as supplier guarantees and performance bonds.

The Company intends to insure its PV power plants in accordance with what is required by lending institutions and what the Company deems to yield an optimal balance between risks and costs.

Security and surveillance costs
All equipment and installations are capital expenditure. Operation of continuous surveillance of the installations is expected to cost approximately EUR 5,000 per MWp installed.

Administrative costs
The Company plans to initially outsource administrative and accounting services for the Italian solar power plant SPVs until critical mass is reached. The outsourcing of administrative services such as accounting and financial reporting (internally and externally), board secretarial work, etc. (excluding audit services) is expected to cost approx. EUR 25,000 per year per solar power plant SPV. In addition, commercial management (Authority and third party relations, contract management, production planning and reporting, GSE follow-up, technical management of plant improvements etc.) is approx. 25 000 EUR per SPV.

Auditing services are expected to cost around EUR 5,000 per solar power plant SPV.

Overall, EAM Solar expects operating expenditure to be relatively stable and predictable.

Other operating costs
Reclaiming VAT for the initial capital goods outlay (mainly construction capital expenditures) may be done according to two different approaches, and the SPV must choose which approach to use.

Due to the time consuming process of reclaiming VAT, the Company expects higher working capital requirements during the first years of operation.

The Company expects VAT refund on initial capital expenditure to take between two to four years to be recovered. In addition, there will be costs incurred for providing a five-year bank guarantee required by Italian tax authorities in case of misreporting. The Italian tax authorities require the bank guarantee as an insurance against fraud or misreporting (e.g. reporting inflated figures for VAT refund).

Depreciation
The power plant and most capital goods/production equipment are depreciated linearly over 20 years. This is within the requirements for tax depreciation (maximum 9% p.a.).

Other system equipment, such as inverters, will have a shorter expected life time and will be depreciated linearly over 8 years or according to expected economic life at the time of purchase.

6.1.6 Solar plant cash-flow and IRR profile

As described in the sections above the high degree of predictability in revenue and operating cost make the variations in the cash flow from these power plants from year to year over their 20 years life-cycle low. The single most important variable in terms of IRR sensitivity is the electricity volume, under the assumption that interest rates are fixed. If the Company should be unable to fix the interest rate for future projects, changes in the interest rate will also have significant impact.

6.2 The photovoltaic energy market

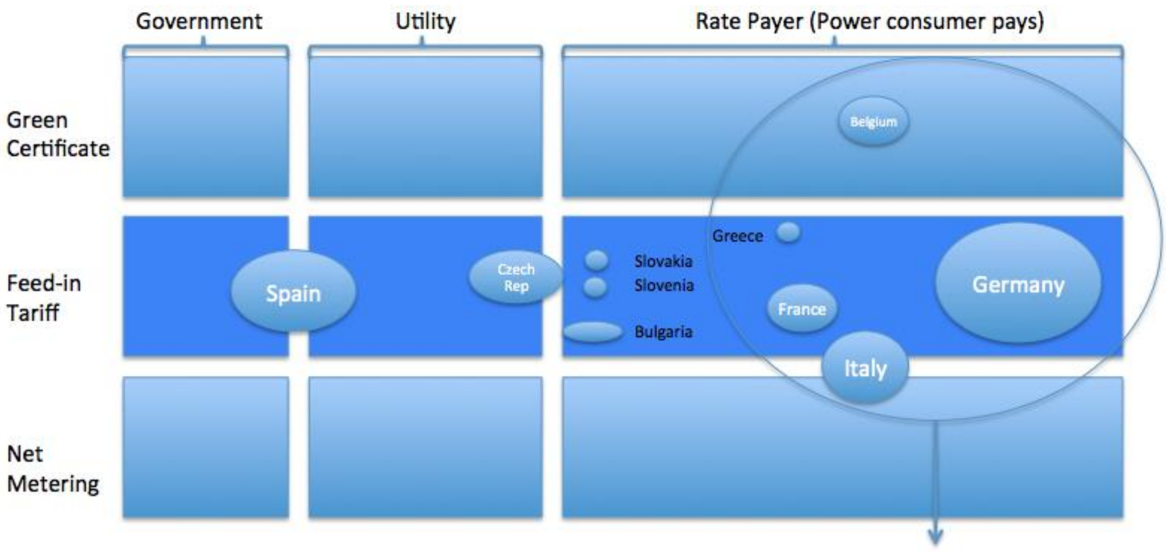
*The main source of this section is the European Photovoltaic Industry Association ("**EPIA**") and its report "Global Market Outlook for Photovoltaics 2013-2017" if not otherwise indicated in the text. The report was published in May 2013. The information has been accurately reproduced as far as EAM Solar is aware and is able to ascertain from information published by EPIA, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

6.2.1 Policy drivers and incentives

The political motivation for promoting new renewable power technologies with different types of incentives is quite strong in many developed economies. The objective is a combination of improving long-term security of supply, support independent power producers to challenge the incumbent monopolist/oligopolists, create technology-based industry clusters, and finally reduce the climate and environmental impact of energy production.

Solar power policies are most frequently based on Feed-in Tariff regimes. This is a power purchase agreement between the power plant owner and an official state/federal agency. The FiT is a state-guaranteed fixed-price power off-take agreement with typical duration 20-25 years. As the figure below shows, governments have chosen different ways to fund the subsidy schemes. Policy regimes where the power consumer fund the subsidies over the utility invoice (right side of table) have proven to be more robust against political risks, particularly against retroactive subsidy cuts and tax changes for power plants in operation.

Figure 10: Overview of European FiT schemes for PV power plants



Source: The Company

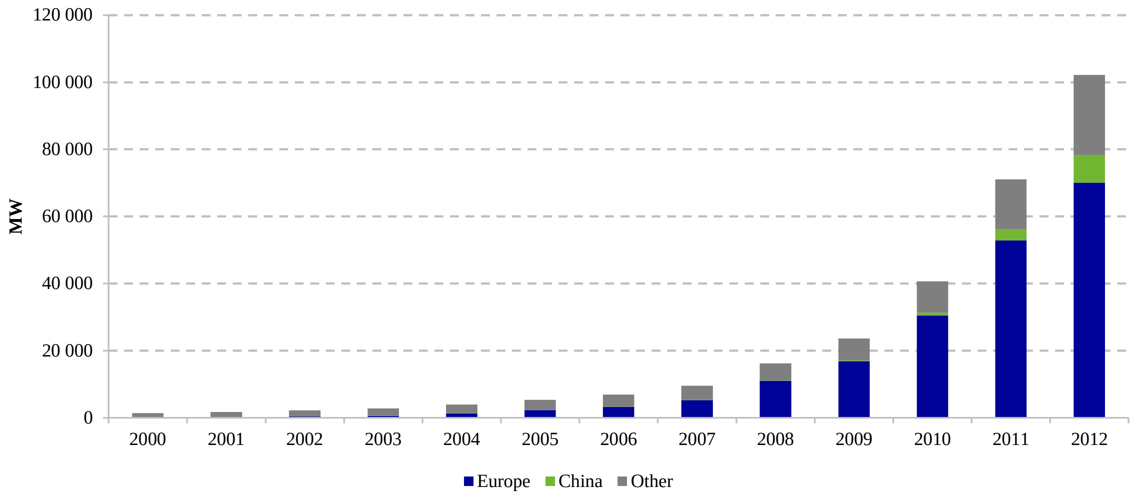
Solar power subsidies are not meant to be permanent, but are designed to support the industry in an interim period until PV power becomes cost competitive on a stand-alone basis. The entire industry, upstream and downstream, is focused on cost cutting and improved competitiveness.

Steadily decreasing subsidies, coupled with a rapid capacity expansion among PV equipment companies have led to a fierce competition to drive down the cost of PV modules, and in some markets solar PV electricity is now getting close to "grid parity", i.e. when solar power is cost competitive with power from the utility grid for household and business customers.

6.2.2 Historical development

Solar power from photovoltaic technology is a relatively new commercial technology, but has already established itself as the third largest renewable power source (in terms of global installed capacity) – after hydro and wind power. According to EPIA, PV currently produces 2.6% of the demand in the EU.

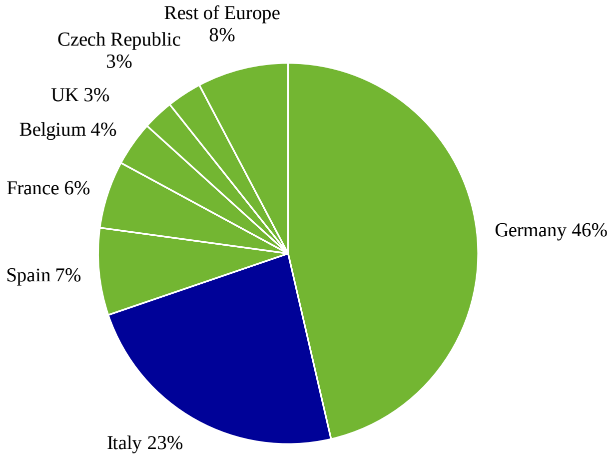
Figure 11: Global cumulative PV capacity by MWp



Source: EPIA

Historically, the global growth has been driven by the incentive schemes in a few countries. Germany and Italy are the largest solar energy markets in the world, accounting together for more than half of installed global capacity. Other markets in Europe, Asia and Oceania have over the past few years also established subsidies to incentivise the implementation of solar power plants, and the market is developing to be more diversified and less dependent on Germany and Italy to drive the growth.

Figure 12: European market split as of 2012 by cumulative installed capacity (MWp)



Source: EPIA

The strong growth rate of PV installations is a result of cost reductions through economies of scale, and the international solar power industry rapidly adapting to changes in national policies. Compared to other energy technologies, PV power has a very short time-to-market in terms of equipment manufacturing, project development, installation and commissioning. The result is strong competition, steady cost reductions, and fast market penetrations.

Forward estimates of the market growth vary widely, but on average indicate a continued strong growth rate.

6.3 The Italian PV market

6.3.1 Policy targets and incentives

The growth and size of the Italian market was relatively slow until several administrative and legal issues were solved in the period from 2007 to 2009, leading to a significant increase in the capacity of project development and EPC suppliers.

In their National Renewable Energy Action Plan ("**NREAP**") of 2009, Italy targeted 8 GW of total installed PV capacity by 2020. According to EPIA, added 9.2 GW installed capacity in 2011 alone – reaching nearly 13 GW of total installed capacity. As per November 2013, the total installed capacity is 17.5 GW according to GSE. The rapid growth in installations and the cost of PV modules have led to an accelerated reduction in new Feed-in Tariffs.

6.3.2 Regulatory framework

The regulatory framework consists of a wide range of laws, decrees, and provisions on both national and regional levels. The national legal framework is based on article 12 of Legislative Decree 387 of 29 December 2003 and on Legislative Decree 28/2011, both adopted on the basis of EU Directive 2009/28/EU.

<u>Conto Energia</u>
The criteria each PV power plant must meet in order to be eligible for a particular Feed-in Tariff rate are defined by the following decrees issued by the Minister for Economic, commonly known as Conto Energia ("**CE**").

- CE 1 (DM 28/07/2005 and DM 06/02/2006)
- CE 2 (DM 19/02/2007)
- CE 3 (DM 06/08/2010)
- CE 4 (DM 05/05/2011)
- CE 5 (DM 05/07/2012)

CE 5 is expected to be the last CE approved in Italy.

Revenue structure Conto Energia 1-4	**Revenue structure Conto Energia 5**	**Comments**
Feed-in tariff: FiT fixed nominal compensation per produced kWh for 20 years from the day of start-up. Depending on the size of the power plant, date of start-up and various qualitative parameters (i.e. roof or ground mounted, technology variations, production location for modules Europe/non-Europe), the FiT varies from power plant to power plant. The nominal FiT tariff cannot change during the 20 year period it applies to the power plant.	Feed-in tariff: FiT fixed nominal compensation per produced kWh for 20 years from the day of start-up. Depending of the size of the power plant, date of start-up and various qualitative parameters (i.e. roof or ground mounted, technology variations, production location for modules Europe/non-Europe) the FiT varies from power plant to power plant. The nominal FiT tariff cannot change during the 20 year period it applies to the power plant.	The level of the FiT compensation has generally decreased from the older CE to the latest CE. The decrease in FiT from CE to CE does not affect the FiT tariff given to any particular power plant. The tariff is not subject to subsequent tariff changes.
Market exposure: In addition to the FiT, the power plants under CE 1-4 are allowed to sell the power produced freely in the market. However, the majority of power plants sell the power on standard Ritiro Dedicato dispatch and spot price contracts offered by the GSE. From 1 January 2013 the GSE also offers imbalance market administration services (sub-mission of production plans).	Market exposure: The power plants under CE 5 will not be allowed to sell the power freely in the market GSE takes full responsibility for the power dispatch and market risk. The CE 5 power plants are not exposed to market price or imbalance market risk.	After the end of the FiT contract (20 years) the power plant will be able to continue to sell its power production in the market, if it fulfils the license requirements for continued operation.

Italy will remain the key market for the Company, independent of these changes as the Company mainly targets PV plants already grid connected (i.e. without connection and construction risk). Reducing the attractiveness of new PV plants will have little impact for module manufacturers, banks and PE funds that own large scale PV plants and seek new owners for their assets.

6.3.3 Acquisition targets in Italy

It is the opinion of the Company that opportunities in Italy will remain significant for institutional investors seeking PV exposure. Existing owners of PV plants seeking divesture could come from the following categories:

<u>PV Module manufacturers</u>

- Many PV manufacturers have vertically integrated downstream into developers and EPCs in order to secure sales channels for their modules. As this is highly capital intensive and upstream players both need to invest upstream and manage working capital they seek to release capital tied up in PV plants.

<u>PE Funds</u>

- PE funds have invested in PV plants with the objective of exiting after 3-5 years

<u>Banks</u>

- In some cases banks seek to sell off assets where equity is held by their clients when the client is in distress from other business areas.

<u>Industrial players (such as EPCs)</u>

- Similar to module manufacturers, many EPC companies have invested downstream (i.e. outside their scope) and have developed projects on their own balance sheet to gain market position in a growing market with the intent of exiting to a financial investor. In this category distressed assets are found with industry players that have been hit hard by fluctuating module prices and changing regulatory conditions.

7. BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

7.1 Board of Directors

In accordance with Norwegian law, the Board of Directors is responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner. The Board shall supervise the administration of the Company; thereunder supervise the Chief Executive Officer.

The general meeting of shareholders elects the members of the Board. The Company's Articles of Association provide that the Board of Directors shall have no fewer than 3 members and no more than 7 members. In accordance with Norwegian law, the CEO and at least half of the members of the Board must either be resident in Norway, or be citizens of and resident in an EU/EEA country.

As of the date of this Information Memorandum, the Board consists of the following:

Name of director	Director since	Current term expires	Business address:
Paal E. Johnsen (Chairman)	2011	No expiration	Co/Alden AS, Haakon VIIs gate 6, 0161 Oslo, Norway
Viktor E. Jakobsen	2011	No expiration	Dronningen 1, 0287 Oslo, Norway
Ragnhild Marta Wiborg	2013	2015	Fridtjof Nansens vei 15, 1366 Lysaker, Norway
Marthe Hoff	2013	2015	Co/Statoil ASA, Forusbeen 50, 4035 Stavanger, Norway

<u>Paal E. Johnsen (Chairman)</u>
Paal E. Johnsen is the CFO of the investment company Alden AS and its subsidiary Trekka AS, as well as the Chairman of Hades Capital AS. He is currently a board member of several companies, including Elliptic Labs AS, NEF Kapitalforvaltning AS and Numo Solutions AS. In addition, he is the Chairman of the Nomination Committee in ThinFilm ASA. Previously he has held positions as Partner, Director and Senior Financial Analyst in Carnegie ASA, and Analyst in Handelsbanken Capital Markets.

<u>Viktor E. Jakobsen (Board member)</u>
Viktor E. Jakobsen has 20 years of experience from the PV industry within academia, investment banking and in operational positions in the PV industry. Previous positions have been as Director, SVP & CFO REC ScanWafer, Co-Head of Equities & Head of Equity Research DnB NOR, Partner SEB Enskilda, Chairman and Senior advisor Bellona Environmental Foundation. Founder of Energeia Asset Management AS.

<u>Ragnhild Marta Wiborg (Board member)</u>
Ragnhild Marta Wiborg has 28 years of experience from the financial markets and an extensive network both within the international and Nordic business communities. Previous positions include CIO and portfolio manager at Odin Fund Management and Wiborg Kapitalförvaltning AB, and several positions within investment banks in the UK and Nordic region. In addition to EAM Solar, she is currently a board member of the three Norwegian listed companies REC Silicon, Borregaard and IM Skaugen, as well as three family offices. In addition, she currently serves as the chairman of the audit committee of REC Silicon and a member of the audit committee of Borregaard. She has also served as a shareholder-elected nomination committee member of several listed companies, including SAS, Kværner, Kongsberg Gruppen, Prosafe, Nera, Cermaq and several metal and mining companies.

<u>Marthe Hoff (Board member)</u>
Marthe Hoff is presently the Vice President Analysis at Statoil ASA where she has held various positions with executive responsibilities since 1990. Previously positions include chairman of Gasnor AS and board member of Statoil Fuel and Retail ASA, Norwegian Business Association Singapore, International Methanol Producer and Customer Association Belgium, European Chemical Industry Council Belgium, Statoil Methanol ANS, Statoil AS Norway, Statoil AB Sweden and Meganor AS Norway.

<u>Independence of the Board of Directors</u>
Marthe Hoff, Paal E. Johnsen and Ragnhild Marte Wiborg are independent of the Company's executive management, material business contacts and the Company's larger shareholders. Paal E. Johnsen represents Alden AS, which holds 3.88% of the Company's shares as of the date of this Information Memorandum and is thus not defined as one of the Company's larger shareholders. At least 50% of the Board members are independent of the executive management and large shareholders.

Viktor E Jakobsen has been nominated as a board member by SPM, which under the Company's Articles of Association has the right to propose up to two board members. As of the date of this Information Memorandum, SPM has not exercised its right to propose a second board member.

7.2 Executive Management

EAM Solar does not have any employees. The management of the Company is carried out by SPM pursuant to the Management Agreement.

The following are the key individuals involved in SPM's performance of management services for the Company under the Management Agreement.

Name	Position	Business address:
Viktor E. Jakobsen	Executive Director	Dronningen 1, 0287 Oslo, Norway
Audun W. Iversen	CEO	Dronningen 1, 0287 Oslo, Norway
Alessandra Gori	Head of Legal	Dronningen 1, 0287 Oslo, Norway
Christian Hagemann	Technical Manager	Dronningen 1, 0287 Oslo, Norway
Markus H. Enge	Project Leader	Dronningen 1, 0287 Oslo, Norway

Viktor E. Jakobsen (Executive Director)
See Section 7.1.

Audun W. Iversen (Chief Executive Officer)
Mr. Iversen has extensive experience as a financial analyst and portfolio manager for 12 years from DnB Markets and DnB Asset Management. He has received several awards for his work. He has been working with renewables since 2005. He currently is a board member of Opera Software ASA, and has previously been a board member of Mamut ASA.

Alessandra Gori (Head of Legal)
Ms. Gori is a lawyer qualified as a solicitor in both Italy and the UK with twelve years PQE in general commercial/contract law, EU law and IP law within B2B and B2C business. She has comprehensive international career in Europe & Australasia as a C-Level in-house lawyer. Prior working experience includes GE Oil&Gas, Cargill, NetApp and several other industries (Technology, Commodities & Luxury Goods).

Christian Hagemann (Technical Manager)
Mr. Hagemann has run a business within thermal power equipment for more than 20 years. He has also held various management positions within trade and aviation businesses, with main focus on business development. He is educated as an airline transport pilot on large commercial aircrafts, technical education within aviation and larger thermal industrial boilers. He has previously held positions as accountable manager, quality manager and chief pilot, as well as examiner for the Danish aviation authority. In addition, he has held the position as chairman and managing director in various companies. He has previously developed several businesses worldwide, both in Europe, Asia and the US.

Markus H. Enge (Project Leader)
Mr. Enge has worked as a senior auditor at KPMG from 2011 to 2013. He holds an MSc of Accounting and Auditing and an MSc in Economics and Business Administration, both from the Norwegian School of Economics (NHH).

7.3 Founders

The Company was founded in 2011 by Energeia Asset Management through SPM. For more information about SPM, see section 3.7.

7.4 Directorship, partnerships and management positions

The tables below set forth the directorships, partnerships and/or management positions (apart from any such position of responsibility in the Company), the members of the Board and the Executive Management of the Company presently hold, and have held within the last five years preceding the date of this Information Memorandum. Please note that any directorships or partnerships held in any of the Company's subsidiaries are not included in the overview below.

Name	Current	Previous five years
Board		
Paal E. Johnsen	Alden AS, Trekka AS, Elliptic Labs AS, Numo Solutions AS, Hades Capital AS, NEF Kapitalforvaltning AS, ThinFilm ASA	Agasti Holding ASA, Marine Accurate Well ASA, Frydaze AS, Armada Seismic ASA, Mamut ASA, Carnegie ASA, Carnegie Group
Viktor E. Jakobsen	Jakobsen Energeia AS, Energeia Asset Management AS, TSC Solar BV, EAM Solar Park Management AS, Bellona Environmental Foundation	SEB Enskilda
Ragnhild Marte Wiborg	Wiborg Kapitalförvaltning AB, REC Silicon ASA, Borregaard ASA, IM Skaugen ASA, Brunsbica AS, Jesem AS	REC Solar ASA, SAS AB, Kongsberg Gruppen ASA, Prosafe SE, Nera ASA, Cermaq ASA, The European Investor Working Group
Marthe Hoff	Statoil ASA	Gasnor AS, Statoil Fuel and Retail ASA, Norwegian Business Association Singapore
Executive Management		
Audun W. Iversen	EAM Solar Park Management AS, Opera Software ASA, Naben AS	Mamut ASA, Bellit AS, Nordic Windpower
Alessandra Gori	EAM Solar Park Management AS	
Christian Hagemann	EAM Solar Park Management, Bio8 AS, Coronet Norge AS, Brdr. Michaelsen AS	
Markus H. Enge		

7.5 Shares owned by the board of directors and executive management

7.5.1 Board of Directors

As of the date of this Information Memorandum, the following members of the Board hold shares in the Company.

Name	Position	No. of shares
Paal E. Johnsen	Chairman	0*
Viktor E. Jakobsen	Board member	0
Ragnhild Marte Wiborg	Board member	0
Marthe Hoff	Board member	0

*Paal E. Johnsen is the CFO of, and a representative for, Alden AS which owns 8,100,000 shares in EAM Solar ASA subsequent to the Private Placement.

7.5.2 Executive Management

As of the date of this Information Memorandum, the following members of the Executive Management hold shares in the Company.

Name	Position	No. of shares
Audun W. Iversen	CEO	100 000
Alessandra Gori	Head of Legal	0
Christian Hagemann	Technical Manager	580
Markus Huseby Enge	Project Leader	0

7.6 Details of any convictions for fraudulent offences, bankruptcy etc.

During the last five years preceding the date of this Information Memorandum no member of the Board or the executive management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company

7.7 Share incentive schemes

The Company has no employees as of the date of this Information Memorandum, thus the Company has no share option program.

7.8 Remuneration, benefits, pensions etc.

7.8.1 Board of Directors

The table below sets out the remuneration of the Board for the year 2012.

Name	Position	Director's fee
Viktor E. Jakobsen	Chairman	0
Ingelise Arntsen	Board member	NOK 50,000 (approximately EUR 7 000)
Paal E. Johnsen	Board member	NOK 50,000 (approximately EUR 7 000)
Total remuneration to the Board		**NOK 100,000 (approximately EUR 14 000)**

At the annual general meeting 14 May 2013, the following resolution was passed:
"For the period from the Annual General Meeting in 2013 until the Annual General Meeting in 2014 the following remuneration shall be paid to the members of the Board of Directors:

- Chairman of the Board of Directors: NOK 250,000
- Members of the Board of Directors: NOK 150,000

The proposed remuneration does not apply to the members of the Board of Directors appointed based on the proposal of SPM, as stated in the Company's articles of association. This exception applies to Viktor E. Jakobsen for the coming period."

7.8.2 Executive management

The management of the Company is carried out by SPM pursuant to the Management Agreement. The executive management is employed by SPM, and receive its remuneration from SPM. For more information about the Management Agreement with EAM Solar Park Management AS, see Section 3.8.

Remuneration to the executive management for the year 2012 is set out in the table below. All figures are stated in EUR.

Name	Position	Salary including social costs
Audun W. Iversen	CEO	112,500
Roar Alme	CFO	96,000
Rolf Jarle Aaberg	COO	96,000
Øystein H. Kvarme	Head of Acquisitions	96,000
Alessandra Gori	Head of Legal	27,400
Total		427,900

Both the Management of SPM and board member Viktor E. Jakobsen of EAM Solar ASA directly or indirectly hold shares in EAM Solar Park Management AS. For more information see Section 3.7.

In 2012, the Group paid EUR 671 thousand to SPM for management services. In addition to the remuneration to the executive management as described above, this includes costs relating to the administrative, technical and commercial activities of the Company, conducted by SPM, such travel costs, office equipment, telecommunication, IT etc. Costs related to other services covered by the Management Agreement are invoiced directly to the Company.

No member of the Company's management has received remuneration or economic benefits from other companies in the Group.

No member of the Company's Board of Directors, executive management, or other administrative or supervisory bodies has service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

No loans or guarantees have been given to any members of the Company's Management, the Board of Directors or other corporate bodies.

7.9 Employees

EAM Solar ASA and its subsidiaries have no employees. To satisfy these legal requirements, the Company has appointed Audun W. Iversen as CEO, but Mr. Iversen is only employed through SPM. In addition, all administrative, technical and commercial services will be conducted by SPM. For more information about the Management Agreement, see Section 3.8.

As a result of the Company not having any employees, the Company does not have any pension liabilities.

7.10 Nomination committee

The Company shall have a nomination committee consisting of three members. Leiv Askvig and Paal Hvammen elected for two years on 14 May 2012, while Nils Foldal was elected for two years on 14 May 2013. These three individuals represent three of the Company's largest shareholders Sundt AS, Canica AS and Ludvig Lorentzen AS, respectively.

The members of the nomination committee shall be shareholders or representatives of shareholders.

The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee's period of service shall be two years unless the general meeting decides otherwise. The period of service commences from the time of being elected unless otherwise decided. It terminates at the end of the annual general meeting of the year in which the period of service expires. Even if the period of service has expired, the member must remain in his or her position until a new member has been elected.

The remuneration to the members of the nomination committee shall be determined by the general meeting.
The nomination committee shall have the following responsibilities:

i. To give the general meeting its recommendations regarding the election of board members to be elected by the shareholders, provided however that EAM Solar Park Management AS shall have the right to give its recommendation for two of the board members;
ii. To give the general meeting its recommendations regarding the remuneration to the board members;
iii. To give the general meeting its recommendations regarding the election of members of the nomination committee; and
iv. To give the general meeting its recommendations regarding the remuneration to the members of the nomination committee.

The general meeting may issue further guidelines for the nomination committee's work.

7.11 Audit committee

The Company is exempted from the obligation to have an audit company as it satisfies the criteria in section 2.3.3 (3) no. 4 of the Listing Rules and section 6-41 (2) of the Norwegian Public Limited Liability Companies Act.

The Company has nevertheless established an audit committee. Currently, the full Board serves as the audit committee of the Company. The Company believes that the audit committee satisfies the requirements in section 6-42 of the Norwegian Public Limited Liability Companies Act. None of the members of the committee are employees of the Company, and Paal E Johnsen is independent of the Company and has qualifications in relation to accounting matters.

7.12 Corporate governance

Good corporate governance and management is important to EAM Solar. The Company's corporate governance principles aim at contributing to value creation and profitability over time, benefiting shareholders as well as other stakeholders.

The Company has established corporate governance guidelines based on the Norwegian Corporate Governance Code dated 23 October 2012 and rectified on 21 December 2012 (the "**Corporate Governance Code**").

Viktor E. Jakobsen, who is a board member of EAM Solar Park Management AS, is a member of the board of directors. This is not in accordance with the recommendation of the Corporate Governance Code that the board of directors should not include executive personnel. The reason for this deviation is that the Company believes that Jacobsen's position on the board is important as a means of ensuring efficient communication with EAM

Solar Park Management AS. Furthermore Jakobsen is one of the co-founders of the Company and has extensive experience from the solar industry, and it is therefore considered as important that he is a member of the board.

SPM has a right under the Company's articles of association to propose two members to the Board of Directors. This does not comply with the recommendation in the Corporate Governance Code that the nomination committee should propose all members of the Board of Directors. The reason for this deviation is that the Company believes that it is important for the communication between the Company and SPM that SPM can make such proposals.

Except as set out above, the Company believes that it is in compliance with the Corporate Governance Code.

7.13 Conflicts of interests

There are no potential conflicts of interests between any duties to the issuer, of the persons referred to in Sections 7.1 and 7.2 above, and their private interests and or other duties.

The Management Agreement between the Company and SPM, as described in Section 3.8, is constructed to align the interests of SPM's stakeholders with those of the Company.

There are no family relations between any of the Company's board members or executive management.

8. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Information Memorandum unless otherwise dictated by the context, including the foregoing pages of this Information Memorandum.

ABGSC	ABG Sundal Collier Norge ASA
ACQUISITION	The acquisition of the Target Companies
ADSCR	Average debt service coverage ratio, generally calculated as the average net operating income divided by the average total debt service
AEEG	Italian Authority of Electrical Energy and Gas
AGI	The SPV named Aveleos Green Investments S.r.l., one of the Target Companies
AION	Aion Renewables S.p.A.
ARCTIC	Arctic Securities ASA
AU	Autorizzazione Unica, Italian license for PV plants
BINDING TERM SHEET	The binding term sheet signed on 26 November 2013 with Aveleos S.A. in order to acquire the Target Companies
BOARD OF DIRECTORS OR BOARD	The Company’s Board of Directors
CARNEGIE	Carnegie AS
CE	Conto Energia, the Italian incentive program for the production of electricity from solar energy through photovoltaic power plants
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COMPANY	EAM Solar ASA
DIA	Simple “start of works” declaration for SPPs
DSCR	Debt service coverage ratio, generally calculated as net operating income divided by total debt service
EAM SOLAR	EAM Solar ASA
EARN-OUT	The EUR 3.375 million to be deposited in escrow in relation to the Acquisition to mitigate certain risks that could occur in 2014 in relation to the Target Companies
ENERGY IMBALANCE MARKET	Regional economic dispatch tool that supplies imbalance energy within transmission and reliability constraints
EGM	The Company’s Extraordinary General Meeting held on 17 December 2013
ENFO 14	The SPV named Energia Fotovoltaica 14’ Societa Agricola A.r.l., one of the Target Companies
ENFO 25	The SPV named Energia Fotovoltaica 25’ Societa Agricola A.r.l., one of the Target Companies
ENS 1	The SPV named ENS Solar One S.r.l., one of the Target Companies
ENS 4	The SPV named ENS Solar Four S.r.l., one of the Target Companies
EPC	Engineering, Procurement and Construction
EPIA	European Photovoltaic Industry Association
ESGI	The SPV named Energetic Source Green Investment S.r.l., one of the Target Companies
ESGP	The SPV named Energetic Source Green Power S.r.l., one of the Target Companies
ESSP	The SPV named Energetic Source Solar Production S.r.l., one of the Target Companies
EY	Ernst & Young AS, the Company’s statutory auditor

EV	The enterprise value of EUR 114.3 million for the Acquisition of the Target Companies
FIT	Feed-in Tariff, policy mechanism designed to accelerate investment in renewable energy technologies
FSMA	Financial and Services Markets Act 2000
GROUP	EAM Solar ASA and its subsidiaries
GME	Gestore dei Mercati Energetici, the Italian state-owned electricity market operator
GSE	Gestore Servizi Energetici, the Italian renewable energy executive authority
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
INFORMATION MEMORANDUM	This Information Memorandum dated 14 December 2014
IPEX	Gestore del Mercato Elettrico, the Italian Power Exchange
IRAP	Regional tax on productive activities (currently 3.9% in the regions the Company operates in)
IRES	The general corporate tax in Italy (currently 27.5%)
KWH, MWH, GWH, TWH	1 kWh = 1,000 watt hours, 1MWh = 1,000 kWh, 1 GWh = 1,000 MWh, 1TWh = 1,000 GWh. Watt hours is a billing unit for energy delivered to consumers by electric utilities.
KWP, MWP, GWP	1 kWp = 1,000 Watt-peak (Wp), 1 MWp = 1,000 kWp, 1 GWp = 1,000 MWp. See definition of Watt-peak.
LCOE	The levelised cost of energy
LLCR	Loan life coverage ratio, calculated by dividing the net present value of the money available for debt repayment by the amount of senior debt owed by the company
MANAGEMENT AGREEMENT	Management services for EAM Solar and the plants are provided by EAM Solar Park Management AS, a Norwegian private limited liability company, under an Administrative, Technical and Operational Management Agreement
MANAGERS	ABG Sundal Collier Norge ASA, Arctic Securities ASA and Carnegie AS
NOK	Norwegian kroner, the lawful currency of Norway
NORWEGIAN SECURITIES TRADING ACT	The Norwegian Securities Trading Act of 29 June 2007, no. 876
NREAP	National Renewable Energy Action Plan
O&M	Operations and maintenance
PERFORMANCE RATIO (PR)	% of the installed nominal production capacity that is actually delivered at the grid connection point.
PPA	Power Purchase Agreement
PRIVATE PLACEMENT	The Private Placement of to be carried out to finance the Acquisition
PRODUCTION ADJUSTMENT	The agreement with the Seller to adjust the Purchase Price based on achieved production in 2014
PRO FORMA TRIGGERING ACQUISITIONS	The acquisition of Sistema Solar 1 GmbH (Codroipo) in February 2012, the acquisition of M&T Solare S.r.l. (Momo and Caltignaga) in September 2013, and the Acquisition of the Target Companies in December 2013
PURCHASE PRICE	The EUR 41.6 million purchase price to acquire the entire share capital of the Target Companies
PV	Photovoltaic
QIB	Qualified Institutional Buyer, as defined in Rule 144A under the U.S. Securities Act
RID	In Italy PV plant owners can sell the electricity produced to GSE through the standard contract “Ritiro Dedicato” at a guaranteed price, the RiD price

ROBIN TAX	The increased tax rate for Italian energy companies with revenues and taxable income over a certain threshold
SELLER	Aveleos S.A.
SG&A	Selling, general and administrative expense
SHARES	All issued shares in EAM Solar, each with a par value of NOK 10
SPA	The sale and purchase agreement signed on 31 December 2013 to acquire the Target Companies from the Seller
SPM	EAM Solar Park Management AS, company registration number 896 525 212
SPP	Solar power plant
SPV	Single Purpose Vehicle
TARGET COMPANIES	Eight companies owning a portfolio of 31 solar power plants in Southern Italy, with a combined capacity of 30 MWp and an annual electricity production capacity of approximately 44 Gwh.
TARGET SPPS	31 solar power plants owned by the Target Companies
TERMINATION FEE	Termination of the Management Agreement by the Company triggers a termination fee of 5 times the average royalty for the preceding two fiscal years.
VPHL	The Norwegian Securities Trading Act of 29 June 2007, no. 876
VPS	The Norwegian Central Securities Depository (Verdipapirsentralen or VPS)
WATT-PEAK (WP)	Measure of nominal power of a SPP under laboratory illumination conditions

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