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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

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

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

OR

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

Commission file number 0-21392

AMARIN CORPORATION PLC

(Exact Name of Registrant as Specified in Its Charter)

England

(Jurisdiction of Incorporation or Organization)

7 Curzon Street

London W1J 5HG
England
(Address of Principal Executive Offices)

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

Title of Each Class	Name of Each Exchange On Which Registered
None	**None**

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

American Depositary Shares, each representing one Ordinary Share

Ordinary Shares, £1.00 par value per share
(Title of Class)

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

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

9,838,158 Ordinary Shares, £1.00 par value per share

2,000,000 Preference Shares, £1.00 par value per share

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

YES X NO _

Indicate by check mark which financial statement item the registrant has elected to follow.

ITEM 17 _ ITEM 18 X

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INTRODUCTION

This report comprises the annual report to shareholders of Amarin Corporation plc (NASDAQ: AMRN) and its annual report on Form 20-F in accordance with the requirements of the United States Securities and Exchange Commission, or SEC, for the year ended December 31, 2002.

As used in this annual report, unless the context otherwise indicates, the terms "Company", "Amarin", "we", "us" and "our" refer to Amarin Corporation plc and its wholly owned subsidiary companies, including Amarin Pharmaceuticals, Inc., a US subsidiary which we may refer to in this annual report as "API", and Amarin Development (Sweden) AB, a Swedish subsidiary which we may refer to in this annual report as "Amarin AB".

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

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

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

- Phrenilin®, Bontril™, Motofen®, Diffusion Controlled Vesicle™ or DCV™, GAMMA™, Triglas®, Rhotard® and Multipor™, which are registered in or used by us or our affiliates;
- Permax®, which is registered in Eli Lilly and Company or its affiliates, which we may refer to in this annual report as "Lilly";
- Mirapex® and Lomotil®, which are registered in Pharmacia Corporation or its affiliates, which we may refer to in this annual report as "Pharmacia";
- Requip®, which is registered in GlaxoSmithKline PLC or its affiliates;
- Zelapar™, which is registered in Elan Corporation plc or its affiliates, which we may refer to in this annual report as "Elan";
- Zydis®, which is registered in RP Scherer Corporation or its affiliates, which we may refer to in this annual report as "Scherer";
- Moraxen™, which is registered in CeNeS Limited or its affiliates, which we may refer to in this annual report as "CeNeS"; and
- Glucotrol XL® which is registered in Pfizer, Inc. or its affiliates, which we may refer to in this annual report as "Pfizer".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- the timing of our future capital needs and our ability to raise additional capital when needed;
- uncertainty of market acceptance of our products;
- our ability to compete with other pharmaceutical companies;
- our ability to develop or acquire new products;
- problems with important third-party manufacturers on whom we rely;
- our ability to attract and retain key personnel; and
- implementation and enforcement of government regulations.

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

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

PART I

Item 1 Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2 Offer Statistics and Expected Timetable

Not applicable.

Item 3 Key Information

A. Selected Financial Data

General

The following table presents our selected consolidated financial data as of the dates and for each of the periods indicated. You should read the selected financial data set forth below together with Item 5 — "Operating and Financial Review and Prospects" as well as our consolidated financial statements and notes thereto beginning on page F-1 of this annual report.

The selected consolidated statement of operations data presented below are for the fiscal year ended August 31, 1998, the four months ended December 31, 1998, and each of the fiscal years ended December 31, 1998, 1999, 2000, 2001 and 2002. The consolidated balance sheet data at December 31, 2000, 2001 and 2002, and the consolidated statement of operations data for the years ended December 31, 2000, December 31, 2001, and December 31, 2002 are derived from the consolidated financial statements beginning

on page F-1 of this annual report, which have been audited by PricewaterhouseCoopers LLP, chartered accountants and registered auditors.

The consolidated statement of operations data for the fiscal year ended December 31, 1998, has not been audited, but has been presented below in order to facilitate comparisons of data during the transition in 1998 from an August 31 fiscal year-end to a December 31 fiscal year-end.

Unless otherwise specified, all references in this annual report to a “fiscal year” or “year” of Amarin refer to a twelve month financial period ended December 31. We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the UK, which we refer to in this annual report as “UK GAAP” and which differs in certain significant aspects from generally accepted accounting principles in the US, which we refer to in this annual report as “US GAAP.” These differences have a material effect on net income/(loss) and the composition of shareholders’ equity. A detailed analysis of these differences can be found in Note 39 to the consolidated financial statements beginning on page F-1 of this annual report. Note 39 to our consolidated financial statements also provides a reconciliation of our consolidated financial statements to US GAAP.

During 2002 our Ordinary Shares were consolidated on a ten-for-one basis. As a result each American Depositary Share, or ADS, now represents one Ordinary Share. Prior to this consolidation, each ADS represented ten ordinary shares of 10p each. The new conversion ratio has been reflected in all years in the weighted average share numbers shown in the consolidated statement of operations data below.

Selected Consolidated Financial Data

(In thousands, except for per share and other data)

	Fiscal year ended August 31, 1998	4 months ended December 31, 1998	Fiscal years ended December 31,				
			1998	1999	2000	2001	2002
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated statement of operations data							
Amounts in accordance with UK GAAP							
Licensing and development fees	1,003	0	665	103	817	1,472	2,069
Product sales	2,766	970	3,216	3,329	8,166	33,792	35,878
Royalties	2,071	594	1,871	1,481	1,467	1,559	2,308
Services	133	0	133	80	76	104	394
Total turnover from continuing operations	5,973	1,564	5,885	4,993	10,526	36,927	40,649
Expenses from continuing operations	12,169	2,253	11,052	9,407	12,295	40,414	60,917
Operating (loss) from continuing operations	(6,196)	(689)	(5,167)	(4,414)	(1,769)	(3,487)	(20,268)
(Loss) from continuing operations	(9,595)	(968)	(8,737)	(5,405)	(1,647)	(3,519)	(22,059)
(Loss)/profit from discontinued operations	(7,605)	(188)	(6,919)	8,110	3,347	300	(953)
Net (loss)/profit	(17,200)	(1,156)	(15,656)	2,705	1,700	(3,269)	(23,012)
(Loss) from continuing operations per Ordinary Share (basic)	(6.43)	(0.65)	(5.84)	(3.60)	(0.42)	(0.49)	(2.37)
Net (loss)/profit per Ordinary Share (basic)	(11.52)	(0.77)	(10.47)	1.80	0.43	(0.46)	(2.48)
Net (loss)/profit per Ordinary Share (diluted)	(11.52)	(0.77)	(10.47)	1.54	0.20	(0.46)	(2.48)
Amounts in accordance with US GAAP							
Operating (loss)	(6,577)	(709)	(5,532)	(4,403)	(1,003)	(2,225)	(17,747)
Net (loss)/profit	(17,581)	(1,176)	(16,021)	2,516	(3,241)	(3,725)	(20,781)
Net (loss)/profit per Ordinary Share (basic)	(11.78)	(0.79)	(10.70)	1.67	(0.82)	(0.52)	(2.24)
Net (loss)/profit per Ordinary Share (diluted)	(11.78)	(0.79)	(10.70)	1.43	(0.82)	(0.52)	(2.24)
Weighted average shares (basic)	1,493	1,497	1,495	1,501	3,953	7,125	9,297
Weighted average shares (diluted)	1,493	1,497	1,495	1,754	8,609	12,035	11,862
Consolidated balance sheet data							
Amounts in accordance with UK GAAP							
Net current (liabilities)/assets	(12,775)	(3,373)	(3,373)	(4,942)	13,386	(8,324)	(11,992)
Total assets	9,826	10,612	10,612	20,889	35,502	62,486	60,524
Long term creditors and provisions	1,321	11,569	11,569	939	8,619	5,212	22,823
Called up share capital (Ordinary Shares)	1,497	1,497	1,497	1,901	6,814	7,674	9,838
Total shareholders' (deficit)/ funds	(8,038)	(9,191)	(9,191)	7,539	20,846	20,372	(3,856)
Amounts in accordance with US GAAP							
Net current (liabilities)/assets	(12,775)	(3,373)	(3,373)	(4,942)	13,386	(8,324)	(12,263)
Total assets	10,148	10,843	10,843	20,889	28,642	59,034	56,994
Long term creditors and provisions	1,321	11,569	11,569	939	6,458	4,519	24,466
Called up share capital (Ordinary Shares)	1,497	1,497	1,497	1,901	6,814	7,674	9,838
Total shareholders' (deficit)/ funds	(7,716)	(8,960)	(8,960)	7,539	17,384	17,589	(5,419)

Exchange Rates

We publish our consolidated financial statements in pounds sterling. Solely for informational purposes, this annual report contains translations of certain pound sterling amounts in, to or from US dollars at a specified rate. These translations should not be construed as representations that the pound sterling amounts actually represent the US dollar amounts indicated or could be converted into or from US dollars at the rate indicated. Unless otherwise stated herein, the translations of pounds sterling into and from US dollars have been made at £1.00 to US$1.6099, which was the closing midpoint rate on December 31, 2002 as quoted in the UK Financial Times. The noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York at December 31, 2002 was £1.00 to US$1.6095. We do not believe this difference to be material. The noon buying rate on April 8, 2003 was £1.00 to US$1.5507.

The rate of exchange between pounds sterling and the US dollar is determined by supply and demand in the foreign exchange markets, which are affected by numerous factors. Fluctuations in the exchange rate between the US dollar and the pound sterling may affect any earnings or losses reported by us and the book value of our shareholders' equity as expressed in US dollars and pounds sterling, and consequently may affect the market price for our ADSs.

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

Fiscal Period	Average Noon Buying Rate
	(US dollars/ pound sterling)
12 months ended December 31, 1998	1.6550
4 months ended December 31, 1998	1.6556
12 months ended December 31, 1999	1.6010
12 months ended December 31, 2000	1.5170
12 months ended December 31, 2001	1.4543
12 months ended December 31, 2002	1.5093

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

Month	High Noon Buying Rate	Low Noon Buying Rate
	(US dollars/ pound sterling)	(US dollars/ pound sterling)
October 2002	1.5708	1.5418
November 2002	1.5915	1.5440
December 2002	1.6095	1.5555
January 2003	1.6482	1.5975
February 2003	1.6455	1.5727
March 2003	1.6129	1.5624

B. Capitalization And Indebtedness

Not applicable.

C. Reasons For The Offer And Use Of Proceeds

Not applicable.

D. Risk Factors

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

We have a history of losses.

We have only been profitable in two of the last five fiscal years. For the fiscal year ended December 31, 2002, we reported a loss of approximately £23.0 million under UK GAAP. In the fiscal year ended December 31, 2001 we reported a loss of approximately £3.3 million under UK GAAP. We reported net

profits under UK GAAP of approximately £1.7 million and £2.7 million for the years ended December 31, 2000 and December 31, 1999, respectively. Prior to that, we had a net loss of approximately £1.2 million for the four-month period ended December 31, 1998, which was a transition period following the change of our fiscal year end from August 31 to December 31. We also reported a net loss of approximately £17.2 million under UK GAAP for the fiscal year ended August 31, 1998. In future periods, we may not be able to continue growing our sales and we may not be able to return to profitability.

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

It is probable that we will have to issue new equity to fund our working capital requirements in 2003 and beyond and to fund new product acquisitions and/or development programs. We are already committed to issue equity to Laxdale Limited, which we may refer to in this annual report as "Laxdale", upon the successful achievement of specified milestones for the LAX-101 development program. See Item 4 "Information on the Company — Business Overview — Our Huntington's Disease Strategy — LAX-101." As part of our financing requirements new equity or convertible equity or debt instruments may be issued to new or existing shareholders. The creation of new shares would lead to dilution of the current shareholder base.

If we cannot find additional capital resources, we will have difficulty paying our short-term indebtedness and sustaining and growing our business.

We will need to raise additional capital and/or to reschedule our existing debts to fund our business during the year 2003 and to pursue our long-term strategy of acquiring additional products, expanding our sales and marketing capabilities and growing our business. Depending on market conditions and our ability to ensure financial stability, we may not have access to additional capital on reasonable terms or at all. Any inability to obtain additional financing and/or to reschedule our existing debts when needed would adversely affect our ability to sustain and to grow our business.

Our revenues are predominantly based upon our levels of sales to wholesalers and similar purchasers of inventory in the US.

Our revenues are predominantly based upon our sales in the US to wholesalers and similar purchasers of our products. The level of US sales reflects the demand from these wholesalers and similar purchasers to meet both the in-market consumption of our products and to reflect the levels of inventory that wholesalers and similar purchasers of our products carry. In the future, wholesalers and similar purchasers of our products may hold more or less inventory than they did for the same period of a prior year and throughout a calendar year. Changes in the level of inventories can directly impact the level of US sales and could result in our sales not being in-line with in-market consumption of our products. In the event that the in-market use of a product or products is overestimated by either us or our customers then any such wholesaler or similar purchaser may in certain circumstances be able to return product to us at their purchase cost. Wholesalers and similar customers typically need to hold at least one month in inventory to satisfy demand and may hold inventory in excess of that to assure continued supply.

The loss of formulary coverage by a few payors in the US would have an adverse effect on our business.

The success of our products may depend in part upon the ability of consumers to obtain reimbursement from third party health care payors, such as government and private insurance plans. Third party insurers and the US government (Medicaid or the Veterans Association) fund approximately 75% of prescriptions dispensed in the US pharmaceutical market. These payors will typically only provide reimbursement for pharmaceutical products that are included in their formularies. If pharmaceutical products cease to be included on these formularies, patients will often switch to alternative treatments that are included and reimbursed. Many of these payors have individually significant proportions of the total US market and the loss of coverage or disfavoured status on their formularies for our products could have a material adverse affect on our level of prescriptions and sales.

In other jurisdictions, such as the European Union, governments influence the price of pharmaceutical products through pricing and reimbursement rules and control of national health care systems that fund a large proportion of the cost of such products to consumers. The approach taken varies from country to country. Some jurisdictions operate positive and/or negative list systems under which products may only be marketed once a reimbursement price has been agreed. Other jurisdictions allow companies to fix their own prices for medicines, but monitor and control company profits.

Third-party payors are increasingly attempting to contain health care costs by challenging the prices charged for medical products and services. Our Parkinson's disease product, Permax, is marketed primarily to seniors. There is additional increasing pressure to provide pricing discounts or benefits to seniors. If the regulatory environment changes, some or all of our products may not remain eligible for third-party reimbursement. In addition, even if reimbursement is available, the levels of reimbursement may not be sufficient to permit us to set prices at which we can realize an acceptable return on capital.

We are dependent on a few customers for the majority of our revenue.

In 2002, 23% of our product revenue was attributable to one customer and the next four largest customers accounted for an additional 56% of our revenue. These percentages increased significantly from 2001. As with many pharmaceutical companies who sell through traditional wholesale channels there has been considerable consolidation in this sales channel resulting in concentration of customer sales. We expect to continue to depend on a few large customers to support our revenues for the foreseeable future. There is no assurance that revenue from these large customers will be maintained or that we will be able to sustain revenues in the future. See Item 5 "Operating and Financial Review and Prospects — Operating Results — Comparison of Fiscal Years Ended December 31, 2002 and December 31, 2001 — Revenue."

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

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

Our ability to derive any revenues under our licensing agreement with Laxdale for LAX-101 is subject to all of the risks associated with obtaining regulatory approvals, and as a licensee we have limited ability to control the outcome of the development process. Our licensors may not obtain regulatory approvals that are needed in order to market a new product, and the timing or scope of any approvals may prohibit or reduce

our ability to commercialize a product successfully. For example, even if Laxdale obtains the necessary approvals for LAX-101, the approvals may take too long or the terms of the approvals may not have the scope or breadth needed for us to commercialize successfully products based on LAX-101.

We are aware that CeNeS, our licensor of Moraxen, currently has financial problems. In light of this, we are currently assessing the viability and funding of the development project with CeNeS for Moraxen and wrote off the carrying value of Moraxen in 2002. See Item 4 “Information on the Company — Business Overview — Our Huntington’s Disease Strategy — Moraxen.”

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

Competition in the pharmaceutical industry is intense and is expected to increase. Our portfolio of marketable products competes with a variety of other products, including established drugs and major brand names. The market for generic products is particularly competitive. Generic copies of innovator drugs can generally be introduced on the basis of bioequivalence to an existing product after any patents and data exclusivity protection on such product have expired. Once a successful product is off patent, many companies often seek to market generic equivalents, thus saturating the market with a large number of similar products. Competitive factors could force innovator companies such as ourselves to lower prices or could result in reduced sales. In addition, new or currently marketed products developed by others could emerge as competitors to our products. Products based on new technologies or new drugs could render our products obsolete or uneconomical.

Revenues from Permax have been in decline since a generic version of Permax was launched in December 2002 and the publication in December 2002 in the Mayo Clinic Proceedings of an article titled “Valvular Heart Disease in Patients Taking Pergolide”, regarding three case studies reporting a possible connection between pergolide, which is ergot-derived, and valvular heart disease. The Mayo Clinic article led to a change to the Permax label to include the potential risk of valvular heart disease. Whilst we believe that the causal link between the taking of Permax and valvular heart disease has yet to be established and the incidence of any such problem in any event would appear to be rare, it is likely that this article may have put Permax at a competitive disadvantage to the other dopamine agonists that are not ergot-derived. Additionally, we recently received two notices of claims of personal injury and/or death from valvular heart disease allegedly associated with Permax. See Item 4 “Information on the Company — Business Overview — Our Parkinson’s Disease Strategy — Permax.” We cannot predict whether litigation will follow, or the outcome of any such litigation. We intend to take all appropriate action to protect our interests with respect to these claims.

In November 2002, Teva Pharmaceuticals Industries Ltd. announced that the FDA had issued final approval for its abbreviated new drug application or “ANDA” for pergolide mesylate tablets bioequivalent to Permax. This generic product has now been launched and has led to a significant reduction of sales of Permax in the US. Accordingly, we recorded an impairment charge of £23,796,000 against the carrying value of Permax. The charge was calculated in accordance with FRS 11 “Impairment of Fixed Assets and Goodwill”, which prescribes that the launch of a generic product is a “trigger” event which necessitates, where appropriate, a revision of the carrying value of the intangible. A second ANDA also filed for pergolide has not yet been approved by the FDA, and is the subject of patent litigation between us and the applicant. Under the provisions of the US Hatch-Waxman Act, because the patents at issue are the subject of a listing in the FDA’s Orange Book and a timely patent infringement action, an “automatic stay” prevents the marketing of the second generic, even if tentatively approved by the FDA, until September 2003, unless there is an earlier ruling by the court in the infringement action. For the first two months of 2003, total prescriptions of Permax have fallen by approximately 40% when compared to the comparable period of the year 2002. Such reduction of our Permax sales will have a materially adverse effect on our cash flows and earnings in 2003 and possibly beyond.

In the third quarter of 2002, we concluded that one product in our Phrenilin line of products, Phrenilin with Caffeine and Codeine, had experienced intense generic competition. As a result, we took a one-time

charge of £2.89 million ($4.65 million) relating to inventory write-offs and we have discontinued the sale of this product.

Our principal competitors both in the US and Europe include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies and specialized drug delivery companies. In addition, we compete with universities and other institutions involved in the development of technologies and products that may be competitive with ours. Many of our competitors have greater resources and experience than us, including financial, product development, marketing, personnel and other resources and experience. In the area of Parkinson's disease, our principal competitors include Pharmacia and GlaxoSmithKline PLC, who market Mirapex and Requip respectively, dopamine agonists indicated as primary therapy for Parkinson's disease. In the area of headache medications, our principal competitors include Novartis AG and Elan. We also compete with numerous manufacturers of over-the-counter headache medications.

The success of our products also depends in large part on the willingness of physicians to prescribe these products to their patients. Many of our competitors' products have achieved broad recognition and acceptance among medical professionals. In order to achieve an acceptable level of prescriptions for our products, we must be able to meet the needs of both the medical community and end users with respect to cost, efficacy, safety and other factors. See Item 4 "Information on the Company — Business Overview — Competition."

Our supply of products could be disrupted by problems affecting our manufacturers and key suppliers.

We do not currently have a commercial manufacturing facility and, accordingly, we are dependent upon maintaining existing relationships with contract manufacturers and other vendors, or establishing new vendors, to supply inventory for our sales and marketing business in the US and elsewhere. There is no assurance that if any existing relationships were to terminate we would be able to replace our current vendors without disruption to operations. Among other difficulties in identifying and retaining a new manufacturer, FDA approval is generally required to change the manufacturer of a drug and the new manufacturer must demonstrate that it meets the FDA's requirements for current good manufacturing practices.

While we take prudent steps to maintain safety stocks of inventory, a product shortage or interruption could have a material impact on our revenues. In some but not all cases, we have identified and qualified an alternate or back-up supplier of product. We are currently out of stock for our products Capital with Codeine and Nolahist. While we are optimistic that stocking will occur within the next five months, there can be no guarantee that stocking will occur within this time frame or at all. Except for our products Capital with Codeine and Nolahist, we currently have sufficient supplies of products to meet our expected needs for at least four months, except for Motofen where we have approximately one month of stock in hand.

We currently rely on a single source of supply for most of our products. In the case of Permax, currently our primary marketed product, as a part of our exclusive US rights we are contractually obligated to source all supplies of Permax from Lilly. There can be no assurance, however, that all of our Permax orders will be fulfilled in a timely fashion by Lilly. In addition, we received notice from Lilly in March 2003 that Lilly has elected to terminate its manufacturing and supply obligations to us, with such termination being effective March 4, 2006. Lilly is obliged to assist in transferring its manufacturing technology to us or to a third party we nominate for the purpose of ensuring that we can continue to manufacture and supply Permax. We believe that we will be able to take advantage of this opportunity to lower our cost of goods for Permax through the identification of a new supplier and that we will be able to do so in the three-year period before Lilly's supply obligations end. However, there can be no assurances that we will find such a manufacturer within the timeframe of the notice period or that a lower cost of goods will result. Any failure to timely locate a new qualified manufacturer could result in lost sales and could have a material adverse effect on our business.

If in the future our manufacturers should cease doing business with us or experience delays, shortages of supply or excessive demands on their capacity, we may not be able to obtain adequate quantities of product in a timely manner, or at all. Furthermore, manufacturers are required to comply with current good manufacturing practices regulations promulgated by the FDA and other regulatory bodies. The failure by a

manufacturer to comply with these regulations could affect its ability to provide us with product. While we take prudent steps to maintain safety stocks of inventory, the loss of a contract manufacturer or a product shortage or interruption could have a material impact on our revenues. In some cases we have identified and qualified an alternate or back-up supplier of product. However, we do not have insurance coverage against the risk of manufacturing failure or disruption.

If we acquire new products, we may need additional contract manufacturing capacity. Our contract manufacturers have no obligation to supply new products. Even if our contract manufacturers endeavour to meet our future needs, we cannot predict whether they will have sufficient capacity to do so. Accordingly, we may need to secure additional contract manufacturing capacity to accommodate any growth in our product portfolio. A failure to do so when needed could result in our inability to satisfy the requirements of our customers and could result in lost sales and diminished market share.

We and, in turn, our vendors often rely on third parties to supply the raw materials needed to manufacture our products. In most cases our contract manufacturers are responsible for obtaining raw materials, although we have assumed responsibility for sourcing difenoxin, a critical component of Motofen. We currently rely on a single source of supply for difenoxin, which is only available from a limited number of suppliers worldwide. Since acquiring our product portfolio in late 1999, we have not experienced any problems in obtaining difenoxin, and to our knowledge no other supplier has sought to terminate its relationship with our manufacturers. Our reliance on a limited number of suppliers involves several risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability and quality. For example, our current supplier of difenoxin allocates its output through a quota system and lead times can be as long as a year. Any unanticipated disruption to contract manufacture caused by problems at any suppliers could delay shipment of our products, increase our cost of goods sold and result in lost sales.

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

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

In order to achieve growth, we will need to expand our limited sales and marketing capability.

At present, we market and sell our products primarily through direct marketing programs in the US. Our US subsidiary conducts all selling activities and has established a small sales and marketing staff of approximately 36 persons, including approximately 24 sales representatives to assist in the promotion of Permax and, potentially, our other neurology products. Although we currently have limited marketing, sales and distribution capability, we believe that our resources are sufficient to support our existing products. Our long-term strategy, though, is to significantly expand our portfolio by acquiring additional marketable products. In order to market any new products, we will need to add marketing and sales personnel who have expertise in the pharmaceuticals business. Although we believe we can build the required infrastructure, we may not be successful in doing so if we cannot attract personnel or generate sufficient capital to fund these efforts. Failure to increase our sales force or to expand our distribution network in the US could have a material adverse effect on our ability to grow our business.

The planned expansion of our business may strain our resources.

Our strategy for growth includes potential acquisitions of new products and the introduction of these products to the market. We intend to acquire products that have high growth potential. It is expected that any such new products will require substantially higher levels of support than our current portfolio. Since we currently operate with limited resources, the addition of such new products could require a significant expansion of our operations, including the recruitment, hiring and training of additional personnel. This could create a strain on our financial and management resources. Our failure to manage such growth effectively could result in lost sales and could have a material adverse effect on our business.

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

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

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

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

Any approvals that are obtained may be limited in scope, or may be accompanied by burdensome post-approval study or other requirements. Even in circumstances where products are approved by a regulatory body for sale, the regulatory or legal requirements may change over time, or new safety or efficacy information may be identified concerning a product, which may lead to the withdrawal of a product from the market.

At present, four products developed by our partners using our drug delivery technologies are in various stages of development. One of these products has been submitted for approval in the US and one of these products has been submitted for approval in Japan. We expect that one of the other products will be

submitted for approval in the US and the remaining product will be submitted in Japan. Even if approvals are obtained, they may not be on the terms or have the scope or breadth necessary for the successful commercialization of such products. This could adversely affect our ability to receive future royalty payments from the sale of such products. Moreover, even after approval, a marketed drug and its manufacturer are subject to continual review. The discovery of previously unknown problems with a product or manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market, which would have a negative impact on our potential royalty stream.

Our current research and development activities include the development of applications for our Diffusion Controlled Vesicle, or DCV, coating technology. In order to fully exploit this technology, we intend to pursue opportunities to develop an application for the US and potentially other markets. However, we have not yet submitted any products containing the DCV coating technology for approval by the FDA. This technology includes two components that have been approved in Europe. Often, if specific components of a new product have been approved in other jurisdictions, the FDA accepts such components when supported by a compilation of relevant information. Such information would include confidential data from the manufacturer as well as data generated by us or available in the public domain. However, at such time as any products incorporating DCV are submitted for approval, the FDA may determine that new data must be generated, notwithstanding the existence of supporting information. The generation of new data could involve significant expense and delay. There is no certainty that the DCV components will be accepted solely on the basis of existing information.

After approval, our products are subject to extensive government regulation.

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

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

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

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

We may not realize profits from the licensing of our drug delivery technologies if our strategic partners fail to commercialize the products that incorporate these technologies.

Our research and development activities in Sweden focus on joint product development projects with third parties, involving the incorporation of our drug delivery technologies into compounds belonging to the third parties. In many cases, we are entitled to future royalty payments based on anticipated commercial sales of the products being developed. Typically, after development work is completed, our co-development partners are responsible for obtaining regulatory approvals and are given a license to manufacture the product and bring it to market within designated territories. We may also use additional licensees to commercialize the product in other territories. Our ability to realize royalties thus depends upon numerous factors that are exclusively within the control of the licensee.

These factors include:

- the availability of raw materials for these products;
- the ability to obtain regulatory approvals for the manufacture and sale of the products;
- the successful manufacture and commercialization of the products; and
- the successful marketing, promotion and distribution of the products in a favourable competitive environment.

In addition, licensees could decide to delay or discontinue the commercialization of products for financial or other business reasons. For example, three of our licensees have discontinued or significantly delayed marketing efforts for the products licensed to them. If the companies to which we license our technologies fail to commercialize such products successfully, or if existing sales activities cease or materially decline, this could have an adverse affect on our future royalty payments.

For some products, we have also entered into distribution agreements under which we sell finished goods to distributors who are authorized to re-sell the product in a designated territory. Unlike our licensees, these distributors are not responsible for manufacturing the product. Therefore, risks relating to raw materials and successful manufacture are not applicable. However, the distributors do generally have responsibility for obtaining regulatory approvals and marketing the products within their territory. To this extent, our distribution arrangements are subject to the same risks that exist under our licensing agreements. In addition, we typically have no control over a distributor's decision to discontinue commercializing a product. If existing sales activities by our distributors cease or materially decline for any reason, this could adversely affect our future income stream. We currently have seven distribution agreements covering three products. Sales are taking place under six of these agreements, and the seventh is inactive due to the distributor's failure to obtain regulatory approval in the designated territory.

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

In connection with our restructuring which began in 1999, we decided to discontinue our UK-based transdermal patch business. In December 1999, we sold certain assets relating to this business to Elan. However, Elan did not assume the licensing and development agreements associated with the divested assets, and we remained obligated to perform all of these contracts. Since we no longer operate a transdermal patch business, Elan agreed to assist us in seeking to terminate such agreements or transfer them to licensees. To date, we have formally terminated, assigned or reached agreement with respect to the termination or assignment of all but one of the fifteen contracts to which we were a party and are reasonably confident that the remaining contract will either be assigned or will not result in any significant payment to the other party relating to our inability to perform continuing obligations.

In the third quarter of 2002, we took a one-time charge of $4.65 million (£2.89 million) relating to inventory write-offs and the discontinuance of sales of Phrenilin with Caffeine and Codeine. This action was based on our determination that the product had experienced intense generic competition and did not provide us with competitive advantage.

We may incur expenses under our ongoing product development contracts without receiving offsetting payments.

In prior years, our revenues and profitability have been primarily dependent upon the fees that we received under license and development agreements with third parties. This dependency has diminished as we have shifted our focus from product development to the marketing and sale of developed and approved products. However, our facility in Malmö, Sweden continues to conduct research and development activities focused on oral delivery technologies. In this area, we continue to rely upon periodic payments that are contingent on our attainment of regulatory approvals and/or achievement of technical and clinical milestones set forth in agreements with third parties. We may have to commit significant personnel and financial resources to meet these requirements. The failure to achieve, or delays in achieving, any required milestones or approvals can cause us to fail to receive significant payments. Even if a milestone is achieved, the costs incurred may exceed the amount of the payment. We generally negotiate payments in advance based on estimates of how much work is required, and these estimates may prove to be too low. As a result, we may be unable to recoup our development expenses, which could adversely affect our profitability.

We are dependent on patents, proprietary rights and confidentiality.

Because of the significant time and expense involved in developing new products and obtaining regulatory approvals, it is very important to obtain patent and trade secret protection for new technologies, products and processes. As of March 31, 2003, we maintained 128 issued patents and had 19 patent applications pending worldwide. Expiration dates of the issued patents range from 2003 to 2014. The patents expiring in 2003 are not considered to be material to our business. Our success depends in large part on our continued ability to:

- acquire patented or patentable products and technologies;
- obtain patents for our newly-developed products and technologies;
- maintain patent protection for both acquired and developed products;
- preserve our trade secrets; and
- operate without infringing the proprietary rights of third parties.

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

For example, one of our technologies is incorporated in a generic formulation of glipizide extended release tablets, as part of an agreement with Watson Pharmaceuticals, Inc. Glipizide extended release tablets are marketed in the US under the trade name Glucotrol XL by Pfizer. Watson Pharmaceuticals announced in December 2002 that it has filed an ANDA with the FDA seeking approval to market its generic version of Glucotrol XL tablets. We are aware that a third party has commenced proceedings in the US against Watson Pharmaceuticals with respect to the filing of this ANDA. Any such claim if successful could have a material effect on our business.

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

Both the defense and prosecution of patent claims can be expensive, time-consuming and uncertain. An adverse outcome could subject us to significant liabilities to third parties, requiring us to obtain licenses from

third parties or cease our sales or research and development activities. We are presently a plaintiff in one lawsuit alleging patent infringement of our licensed patent rights with respect to Permax, currently our primary marketed product. See "Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease Strategy — Permax."

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

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

We are highly dependent upon the efforts of:

- our senior management;
- our US-based sales and marketing team; and
- our Sweden-based scientific team.

The loss of the services of one or more members of senior management, the sales and marketing team or the scientific team could have a material adverse effect on us. As a small company with a streamlined management structure, the departure of any key person could have a significant impact and would be potentially disruptive to our business. In addition, because our operations are spread out geographically, it may not be practicable for existing management to take on responsibilities of any departing key employee. Furthermore, because of the specialized nature of our business, we are highly dependent upon our ability to attract and retain qualified sales, scientific, technical and key management personnel. There is intense competition for qualified personnel in the areas of our activities. In this environment we may not be able to continue to attract and retain the personnel necessary for the development of our business, particularly if we do not maintain profitability. Loss of the services of key sales, scientific and technical personnel, or the failure to recruit such personnel, would be detrimental to our marketing activities and development programs.

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

We are subject to continuing potential product liability.

Risks relating to product liability claims are inherent in the manufacturing and marketing of our products. Any person who is injured as a result of using one of our products may have a product liability claim against us without having to prove that we were at fault. Since we distribute and sell our products to a wide number of end users, the risk of such claims could be material. Product liability claims could also be brought by persons who took part in clinical trials involving our products, including clinical trials of transdermal products carried out prior to the disposal of our transdermal business. We have obtained insurance against claims arising in the ordinary course of business up to a limit of US$10 million. However, this may not adequately protect us if there is a high occurrence of claims in the future or if any future claim exceeds the limits of our coverage. A successful claim brought against us in excess of our insurance coverage could have a material adverse effect on our business.

We are not presently the subject of any litigation alleging product liability. We have, however, recently received two notices of claims of personal injury and/or death from valvular heart disease allegedly associated with Permax. See Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease

Strategy — Permax." We cannot predict whether litigation will follow, or the outcome of any such litigation. We intend to take all appropriate action to protect our interests with respect to these claims.

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

The price of our ADSs may be volatile.

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the operating performance of particular companies. In addition, the market prices of the securities of many pharmaceutical and medical technology companies have been especially volatile in the past, and this trend is expected to continue in the future. Our ADSs are also subject to volatility as a result of the relatively limited size of their trading market. With approximately 6.7 million ADSs outstanding, there is a risk that there may not be sufficient liquidity in the market to accommodate significant increases in selling activity or the sale of a large block of securities, either of which could result in price volatility. Additionally, there is a potential for additional Ordinary Shares, including approximately 6.1 million Ordinary Shares issued by us in a private placement in January 2003, to be exchanged for ADSs in quantities that may be substantial in relation to our public float, which could have a material impact on market price and create volatility. These factors increase the risk that the market price of our ADSs may be affected by factors such as:

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

The rights of our shareholders may differ from the rights typically afforded to shareholders of a US corporation.

We are incorporated under English law. The rights of holders of Ordinary Shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the UK Companies Act 1985, as amended by the UK Companies Act 1989, and by our memorandum and articles of association. These rights differ in certain respects from the rights of shareholders in typical US corporations. See Item 10 "Additional Information — Memorandum and Articles of Association." The principal differences include the following:

- Under English law, each shareholder present at a meeting has only one vote unless a valid demand is made for a vote on a poll, in which each holder gets one vote per share owned. Under US law, each shareholder typically is entitled to one vote per share at all meetings. Under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that the voting rights of ADSs are also governed by the provisions of a deposit agreement with the depositary bank. See Item 10 "Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Voting Rights."
- Under English law, each shareholder generally has pre-emptive rights to subscribe on a proportionate basis to any issuance of shares. Under US law shareholders generally do not have pre-emptive rights

unless specifically granted in the certificate of incorporation or otherwise. See Item 10 “Additional Information — Memorandum and Articles of Association — Pre-emptive Rights.”

- Under English law, certain matters require the approval of 75% of the shareholders, including amendments to the memorandum and articles of association. This may make it more difficult for us to complete corporate transactions deemed advisable by the board of directors. Under US law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions. See Item 10 “Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Voting Rights.”

- Under English law, shareholders may be required to disclose information regarding their equity interests upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares including prohibitions on the transfer of the shares as well as restrictions on dividends and other payments. Comparable provisions generally do not exist under US law. See Item 10 “Additional Information — Memorandum and Articles of Association — Disclosure of Interests.”

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

A number of our directors and executive officers are non-residents of the US, and all or a substantial portion of the assets of such persons are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon such persons or to enforce against them judgments obtained in US courts predicated upon the civil liability provisions of the federal securities laws of the US. We have been advised by our English solicitors that there is doubt as to the enforceability in England in original actions, or in actions for enforcement of judgments of US courts, of civil liabilities to the extent predicated upon the federal securities laws of the US.

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

We have operations in the UK, the US and Sweden and consequently have transactions mainly derived in pounds sterling, US dollars and Swedish kronor. We do not engage in hedging activities to restrict the risks of exchange rate fluctuations. As a result, changes in the relation of any such foreign currency to pounds sterling will affect our revenues and operating margins and may also affect the book value of our assets and the amount of shareholders’ equity.

Following the exercise of the option to acquire the remaining US rights to Permax during 2002, we reassessed our functional currency and changed it to US dollars with effect from January 1, 2003 (being the beginning of the first fiscal year following the change) as the majority of our transactions, assets and liabilities are based in US dollars.

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

There is a risk that we will be classified as a passive foreign investment company, or PFIC. Our treatment as a PFIC could result in a reduction in the after-tax return to the holders of our Ordinary Shares or ADSs and would likely cause a reduction in the value of such shares. For US federal income tax purposes, we will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, passive income includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. Because we will receive interest income and may receive royalties, there is a risk that we will be declared a PFIC under the income test described above. In addition, as a result of our cash position, there is a risk under the asset test described above that we will be declared a PFIC in the event the price of our Ordinary Shares declines substantially. If we were determined to be a PFIC for US federal income tax purposes, highly complex rules would apply to US Holders owning Ordinary Shares. Accordingly, you are urged to consult your tax advisors regarding the application of such rules. However, because the

determination of whether we are a PFIC is based upon the composition of our income and assets from time to time, this determination cannot be made with certainty until the end of the calendar year.

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

Item 4 Information on the Company

A. History and Development of the Company

Amarin Corporation plc (formerly Ethical Holdings plc) was incorporated in England as a private limited company on March 1, 1989 under the UK Companies Act 1985 and re-registered in England as a public limited company on March 19, 1993. Our registered office and our principal executive offices are located at 7 Curzon Street, London W1J 5HG, England, and our telephone number is +44-20-7499-9009. Our agent for service in the US is API, 2 Belvedere Place, Suite 330, Mill Valley, CA 94941.

Until late 1999, our principal activity was the development of drug delivery technologies and we generated revenue by licensing our technologies to other companies. In September 1999, our strategic acquisition of a portfolio of FDA-approved products from Elan, a related party, for US$25.2 million provided the foundation for the restructuring of our business and growth as a specialty pharmaceutical company with a focus in the US. The acquisition of this product portfolio, which we refer to as our "primary care portfolio" was also the first step towards building a sales and marketing capability in the US, the largest single market for pharmaceutical products in the world.

In December 1999, we divested, at a sale price of US$20.25 million, our transdermal patch technology business which developed products designed to release medication through patches worn on the skin. This transaction, together with the acquisition of the product portfolio from Elan, shifted our primary strategic focus from developing drug delivery technology for hormone replacement therapy to the direct marketing and development of pharmaceutical products for the US market. In conjunction with the restructuring of our business focus we changed our name from Ethical Holdings plc to Amarin Corporation plc.

Following the acquisition of the product portfolio from Elan and the sale of our transdermal patch technology business, Amarin's in-house research and development functions were concentrated in Amarin AB, which retained its operations and is primarily involved in product development with oral controlled-release and site-specific technologies.

We entered into license agreements in late 2000 and early 2001 which provided us with pipeline products that began our strategic focus in neurology and pain management. We signed our first license agreement in November 2000 with Laxdale and acquired an exclusive license to the US marketing and distribution rights for LAX-101 in Huntington's disease and certain other niche neurodegenerative diseases. In January 2001, we obtained a license from CeNeS for the exclusive US marketing rights to Moraxen for the treatment of chronic moderate to severe pain.

In May 2001, we obtained US marketing and distribution rights to Permax from Elan. Elan was the exclusive licensee from Lilly of the US rights to Permax, which is approved by the FDA as an adjunctive treatment for Parkinson's disease. We also acquired an option to obtain all of Elan's remaining rights to Permax in the US, in return for making specified option payments. We exercised the Permax option on March 11, 2002, and following Lilly's consent to our acquisition of rights from Elan and the satisfaction of other closing conditions, completed the transaction effective as of March 29, 2002.

In June 2001, we entered into an option agreement with Elan to acquire Elan's exclusive rights as licensee to promote, sell and distribute Zelapar in the US. Zelapar is a novel and proprietary formulation of selegiline (a selective MAO-B inhibitor) using the patented Zydis fast-dissolving technology of Scherer, Elan's licensor, to produce a unique and proprietary orally disintegrating formulation of selegiline, which is

indicated for the treatment of Parkinson's disease. Our exclusive option to the US rights for Zelapar remains exercisable until a period of time following any approval of the NDA for Zelapar by the FDA.

We believe that with Permax and, if we choose to exercise the option to acquire it, Zelapar, we will have exclusive US marketing rights to neurology products for Parkinson's disease and movement disorder specialty markets that are suited to our focused marketing strategy.

In November 2001, in furtherance of our strategic focus, we sold our entire equity interest in each of our South American subsidiaries, Beta Pharmaceuticals Corporation and Amarin Technologies, S.A. This sale was made to the local management team of these subsidiaries at a purchase price of US$262,000 in cash plus the assumption of approximately US$188,000 in indebtedness. This transaction completed our planned divestiture of the transdermal patch research and development business.

At the end of 2002, we closed our New Jersey direct marketing facility. This action was part of our ongoing strategic focus on our branded specialty neurology products, both marketed and development pipeline, which are administered from our California office. We have now consolidated our direct marketing functions in California. We anticipate that this consolidation of our direct marketing activities will result in greater efficiency, improved communications and potential cost savings. We have built our US infrastructure to support these marketed and development products by establishing our west coast operations in Mill Valley, California. We hired key personnel for the development and marketing of our products and pipeline, including the addition of several key personnel in 2002.

On January 27, 2003 we completed a private placement of 6,093,728 Ordinary Shares raising gross proceeds of approximately £13.2 million ($21.2 million). The private placement was made primarily to accredited investors in the US. We entered into a registration rights agreement with these investors under which we agreed to prepare and file (at our expense) a registration statement with the SEC covering the Ordinary Shares purchased in the private placement, as well as Ordinary Shares the investors may have acquired from Elan. Pursuant to the registration rights agreement, we are required to file the registration statement on or before April 27, 2003. As part of the private placement, we issued warrants to acquire 313,234 Ordinary Shares to individuals designated by the placement agent that assisted us in the private placement. The warrants are exercisable at a price of US$3.4785 per share between January 27, 2004 and January 26, 2008. We intend to include the shares issuable upon exercise of the warrants in the registration statement filed for the investors. We also intend to include 4,653,819 Ordinary Shares and ADSs held by Elan in the registration statement filed for the investors.

We continue to actively evaluate the refinancing of our indebtedness to Elan and our capital structure which could lead to the issuance of further shares, the creation of convertible debt, the re-scheduling of the Elan debt and other payment obligations or the disposal of certain non-core assets potentially including the primary care portfolio and/or Amarin AB. There is no assurance that our efforts to refinance or reschedule our debt and other payment obligations or dispose of any of these assets will be successful, and we do not have a predetermined time frame for doing so. As part of the restructuring of certain of our obligations to Elan in January 2003, we undertook to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell all or substantially all of these assets for upfront cash consideration of a reasonable sum and as expeditiously as is reasonably practicable and to apply the proceeds, if any, from these asset disposals to reduce our payment obligations to Elan, with any remaining proceeds used to fund our core business. However, in the event that we are successful (and there is no assurance that we will be) in securing third party investment for our refinancing or in rescheduling the Elan debt it may not be necessary to divest either of the primary care portfolio or Amarin AB.

See Item 4 "— Business Overview — General;" "— Business Overview — Primary Care Portfolio;" and "— Business Overview — Amarin AB" for a discussion of the primary care portfolio and Amarin AB and Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Obligations" in respect of certain of our obligations to Elan.

In March 2003, we entered into an agreement with F. Hoffmann — La Roche Ltd. and Hoffmann — La Roche Inc. to acquire worldwide rights to a pharmaceutical product containing tolcapone for the treatment

of Parkinson's disease. Consummating that acquisition is contingent on a number of conditions, including, among others, our receiving results of a recently completed clinical study and having sufficient funds on-hand to complete the acquisition. If consummated, we would be required to make an upfront payment of US$12.5 million and subsequent milestone payments contingent upon reaching certain net sales milestones in the US and other territories. The agreement includes a supply agreement whereby product would be supplied by Roche for a period of years until an alternate supplier is located. We do not currently have a distribution or marketing capability outside the US and would likely perform those functions in the territories where the product is presently marketed through a combination of outlicensing or distribution agreements with one or more partners. It is also possible that with the exception of certain major markets, we would either divest our rights or withdraw the product if sales in those markets did not warrant divestiture. There can be no assurances that we will complete the transaction or, if completed, that the product will generate revenues sufficient to cover the costs of its acquisition.

B. Business Overview

General

We are a specialty pharmaceutical company focused on neurology and pain management with headquarters in the UK and commercial operations located in both the US, for our pharmaceutical development and marketing business, and Sweden, for our drug delivery business. We are committed to becoming a recognized leader in the field of neurology and pain management with a quality reputation for meeting the needs of healthcare professionals by the provision of innovative medicines.

Our principal activities are the marketing and sale of pharmaceutical products which we conduct through our wholly owned US subsidiary API and the development of pharmaceutical products utilizing our proprietary drug delivery technologies which is carried out by our wholly owned Swedish subsidiary, Amarin AB. We have a portfolio of ten marketable pharmaceutical products which are sold exclusively in the US.

Our primary care portfolio, initially acquired in 1999, provided the foundation of our growth as a specialty pharmaceutical company. That portfolio consists principally of our Phrenilin line of tension headache products, Bontril for the management of exogenous obesity and Motofen for the management of severe diarrhea and severe recurring or temporary diarrhea. We no longer consider our primary care portfolio as part of our core assets and, as described in "— History and Development of the Company" above, may sell all or substantially all of these assets. Through API, we have established a team of approximately 24 sales representatives dedicated to the promotion of neurology products in the US. These sales representatives currently call upon neurologists and other specialists in the US to expand awareness of and to promote Permax. We also use this sales force to supplement our marketing efforts for Permax and Phrenilin Forte, one of the Phrenilin line of products. Moreover, we believe that the neurology sales force will be well positioned to provide promotion for Zelapar, if and when approved and acquired by us, and LAX-101, if and when approved.

Our Swedish subsidiary, Amarin AB, is dedicated to the research and development of advanced controlled-release and site-specific technology solutions, and to creating improved formulations of both new and existing drugs. Amarin AB's oral proprietary technologies can be used with a variety of drugs covering a range of therapeutic areas. Amarin AB's activities in this area primarily involve collaborative arrangements whereby it seeks to incorporate its drug delivery technology into compounds developed or marketed by other pharmaceutical companies. It also performs research and development projects for third parties on a contract "fee for service" basis. Our oral product development work is performed by Amarin AB at its state of the art development facility in Malmö, Sweden.

Our consolidated revenues are derived from four principal sources. For the year ended December 31, 2002, sales of our products through our own sales and marketing operations accounted for approximately 88% of total revenues; licensing and development fees accounted for approximately 5% of total revenues; contract manufacturing fees accounted for approximately 4% of total revenues; and royalties on third party product sales accounted for approximately 3% of total revenues. Although some of the products marketed in

the US can show seasonal market trends, there has not been material revenue seasonality for our consolidated group.

Broken down by geographic markets, for the year ended December 31, 2002 approximately 89% of total consolidated revenues were generated in the US, representing sales of our pharmaceutical products; approximately 1% of total consolidated revenues were generated in the UK, representing our royalty income; and approximately 7% of total consolidated revenues were generated in the European market, representing our drug delivery and contract manufacture business. The remaining 3% of total consolidated revenues were generated as export sale in markets outside the European market and the US.

API expanded in 2002 in pursuit of its goal to become a leader in neurology and pain management. In 2002 revenues attributable to this subsidiary grew from £32.7 million to £36.3 million, due in part to the revenues attributable to Permax and in addition to growth from our primary care portfolio products. API also monitors and collaborates in certain development activities relating to products that we have licensed-in or optioned from third parties.

Management and Infrastructure

As a part of expanding our management team and infrastructure to keep pace with product growth and expansion, API has added key management and personnel in a number of areas which we believe are crucial for the development and marketing of pharmaceutical products. In addition to locating, leasing and building out office space in northern California suitable for our development and marketing activities, we have been able to identify and hire people whom we believe to be highly experienced and qualified in the following areas:

- sales, sales training and marketing;
- clinical, medical, scientific and regulatory affairs;
- safety and medical information;
- finance and legal;
- commercial development;
- information technology;
- managed care and government purchasing; and
- trade relations.

All of our recent hires are experienced in the pharmaceutical business and many have specific experience in neurology or pain management. We have also been able to identify and contract with valued consultants who assist in these and other areas. We intend to continue with a mix of consultants and full-time employees who are dedicated to our future success.

API has an agreement with a third party industry leader to facilitate its distribution services. This service company assists API in all areas of distribution including product distribution, warehousing, customer service, accounts receivable collection and returns processing. We believe that this arrangement gives API a cost-effective ability to provide a high level of customer service and satisfaction. We intend to continue to evaluate distribution activities and to make appropriate cost-effective decisions on bringing some or all of those activities in-house.

Our Parkinson's Disease Strategy

Approximately 500,000 people in the US are thought to be treated for Parkinson's, with an equal number or more going undiagnosed and untreated.

Permax (pergolide mesylate tablets)

Permax has been approved for marketing in the US as an adjunctive treatment for Parkinson's disease, a neurological disease characterized by a deficiency of dopamine, a neurotransmitter, in the brain. Permax is one of a class of drugs known as dopamine agonists, which mimic the action of dopamine at certain receptor sites in the brain. Stimulating these receptor sites can reduce the symptoms of Parkinson's disease, such as tremor, rigidity and shuffling gait. Other competing pharmaceutical products, including dopamine agonists and products having different mechanisms of action, have also been approved for treatment of the symptoms of Parkinson's disease. Permax had US revenues of approximately £26.4 million (US$42.1 million) in fiscal 2002.

In May 2001, we obtained US marketing and distribution rights to Permax from Elan. We also acquired an option to obtain all of Elan's remaining rights to Permax in the US, in return for making specified option payments. We exercised our purchase option to acquire the remaining US rights to Permax from Elan on March 11, 2002 and completed the purchase effective as of March 29, 2002 following receipt of consent to the acquisition of such rights from Lilly and the satisfaction of other closing conditions. Following the closing of the transaction, we replaced Elan as Lilly's exclusive licensee for Permax in the US.

Under the original Permax agreement, as amended in January 2003, and in consideration of the assignment and transfer of the US rights to Permax, we made an initial payment of US$47.5 million to Elan (of which US$45 million was represented by a loan note) and have to date made further deferred payments totalling US$15 million. We are required to make a further six quarterly payments of US$2.5 million over the next eighteen months. In addition, we were required to pay royalties to Elan of between 3.0% and 3.5% on all of our US net sales of Permax in 2002 increasing to 10% on all of our US net sales of Permax thereafter. In addition, we have received contributions from Elan towards the cost of product returns relating to sales made prior to our acquisition of the Permax sales rights. If net sales of Permax in 2003 and 2004 exceed specified dollar amounts, we will be required to pay Elan a percentage of the amount by which net sales exceed such levels. Conversely, if net sales in 2003 and 2004 fall below the specified levels, we will be entitled to credit against future royalties payable to Elan a percentage of the amount by which net sales fall short of such levels. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions" for a further discussion of this transaction with Elan.

In November 2002, Teva Pharmaceuticals Industries Ltd. announced that the FDA had issued final approval for Teva's ANDA for pergolide mesylate tablets in each of the three strengths of our branded Permax product, rated as therapeutically equivalent to Permax. In that statement Teva claims that it has the "first to file" ANDA status providing it with 180 days of market exclusivity under the US Hatch-Waxman Act, during which subsequent ANDAs for the same product may not be finally approved. Teva's generic product (in all three strengths) was launched in December 2002 and is now available commercially. The other known ANDA for generic pergolide products, filed by Ivax Corporation as described below, has not yet been approved. We cannot predict if or when such approval might be received.

The approval of a generic product does not affect our payment obligations to Elan, with one exception being that we are entitled to certain credits against royalty payments to Elan on net sales of Permax, to the extent that net sales in 2003 and 2004 are below stated levels. We cannot foresee 2003 and 2004 net sales levels and thus cannot predict the extent to which we may be entitled to those royalty credits, if at all. We continually revisit and, where appropriate, revise the carrying value of our intellectual property and other intangible assets to appropriately reflect current values of those assets. Effective as of December 31, 2002 as a result of the entry of generic competition for Permax, we wrote down the value of our rights in Permax, carried as an intangible asset on our balance sheet, by £23.8 million (US$38.4 million) in light of all developments. For the period since the date of the launch of the generic competitor to Permax, sales of Permax have been significantly in decline. See Item 3 "Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors." Also, see Item 5 "Operating and Financial Review and Prospects — Trend Information."

As a part of consummating our option rights in the transaction for Permax with Elan, we assumed the lead role in patent litigation brought by Elan in July 2001 against Ivax Corporation. In this case, Elan

asserted the violation of two patents which it held as the exclusive US licensee of Lilly. The lawsuit is in the discovery phase. Continued pursuit of the lawsuit, particularly in the pre-trial and trial phase, will require substantial resources. While we believe that the case initiated by Elan has merit, there can be no assurances that our position in the case will prevail. If approved and marketed, after or prior to resolution of the litigation, the Ivax generic product may have a further negative impact on the revenues we receive with respect to Permax.

In late 2002, Lilly as the holder of the NDA for Permax, received a recommendation from the FDA to consider making a change to the package insert for Permax based upon the very rare observance (less than 0.01%) of cardiac valvulopathy in patients taking Permax. While no known deaths are associated with this condition, we have recently received two notices of claims alleging personal injury and/or death from valvular heart disease claimed to be associated with Permax. We cannot predict whether litigation will follow, or the outcome of any such litigation. We intend to take all appropriate action to protect our interests with respect to these claims. While Permax has not been definitely proven as the cause of this condition, similar reports have been noted in patients taking other ergot-derived pharmaceutical products, of which Permax is an example. In early 2003, Lilly amended the package insert for Permax to reflect the risk of cardiac valvulopathy in patients taking Permax and also sent a letter to a number of US doctors describing this potential risk. See Item 3 “Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors” and “— We are subject to continuing potential product liability.”

In March 2003, Lilly provided us with three years’ advance notice of its decision to end our supply agreement for Permax, which Lilly is contractually permitted to do. We have begun working with Lilly toward identifying an appropriate alternate supplier of Permax tablets, and have no reason to believe that we will be unable to do so on an orderly basis within the three-year notice period. We view this as an opportunity to reduce our cost of goods for Permax, which at the present time is contractually fixed in our contract with Lilly. See Item 3 “Key Information — Risk Factors — Our supply of products could be disrupted by problems affecting our manufacturers and key suppliers” with respect to the discussion of our supply agreement with Lilly.

Zelapar (selegiline HCl orally disintegrating tablets)

Zelapar, a novel and proprietary formulation of selegiline, a selective MAO-B inhibitor, is an oral tablet using the patented Zydis fast-dissolving technology of Scherer. Zelapar is being developed as adjunct treatment to levodopa for the symptoms of Parkinson’s disease. Selegiline, the active ingredient in Zelapar, is approved for that indication in conventional tablet form. The Zelapar tablet orally disintegrates in seconds and is absorbed in the tissues of the mouth, without swallowing or the need for liquids.

In June 2001, in connection with the Permax transaction described in “— Permax” above, we entered into an agreement with Elan giving us the option to acquire exclusive rights to promote, sell and distribute Zelapar in the US. Elan is currently the exclusive licensee for Zelapar in the US under a license agreement with Scherer. We viewed the option of license rights to Zelapar to be complementary to Permax as both products are indicated in the treatment of Parkinson’s disease, as additive therapy to carbidopa/ levodopa. There continues to be a significant unmet medical need in this area, with polypharmacy (prescribing more than one pharmaceutical as treatment) becoming more and more prevalent. In addition, demographics indicate that the elderly population, which is most affected by Parkinson’s disease, is steadily growing. We believe that Zelapar is complementary to Permax and, if approved by the FDA and acquired by us, could allow us to leverage on the cost of establishing a specialist neurology sales organization and to continue to build upon our Parkinson’s disease product sales base.

In April 2002, the FDA accepted the NDA for Zelapar for filing and substantive review and in February 2003 Elan received an approvable letter from the FDA in respect of the NDA. Elan, as the sponsor of the NDA and current holder of the license rights, is pursuing the questions raised by the FDA in its approvable letter. At the FDA’s suggestion, Elan has requested a meeting with the FDA to discuss the requirements of the approvable letter, which is currently scheduled for late April 2003. We intend to work closely with Elan

to assist in answering questions raised by the FDA in the approvable letter. It is not possible at this time to predict the outcome of that meeting, or the timing of any FDA approval for Zelapar.

The US rights to Zelapar are currently licensed to Elan by Scherer. Amarin's option is exercisable at any time up to the earlier of 30 days after the final FDA approval, if any, of the NDA for Zelapar or the execution by us and Elan of an assignment agreement. In consideration of the granting of the option to acquire these rights, we paid a non-refundable option fee of US$100,000. If we exercise the option, we would be required to make an initial payment of approximately US$10 million to Elan upon the closing of the exercise of the option. The option agreement, as amended in January 2003, provides for three additional milestone payments aggregating US$47.5 million, contingent on achieving certain revenue levels, with a final milestone of US$15 million payable eight years from exercise of the option. The final payment is subject to certain extension rights, and is also subject to certain reductions based on prior royalty payments made by us to Elan. If we acquire the rights to Zelapar, Elan would be entitled to reclaim those rights under certain circumstances involving a breach by us of our obligations to Elan or our insolvency. Also under the option agreement, as amended in January 2003, we have agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs relating to Zelapar. One half of such costs paid by us will be credited (up to a maximum of US$5 million) against the US$17.5 million first sales milestone payable under the option agreement. We would also be required to make royalty payments to Scherer and Elan based on net sales of Zelapar in the US. If exercised, consummation of the option would be subject to customary closing conditions, including approval under the US Hart-Scott-Rodino Antitrust Improvements Act. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Obligations — Zelapar."

Should we exercise the purchase option, our strategy would be to launch Zelapar following FDA approval using existing clinical data that demonstrate significant improvement in certain symptoms of Parkinson's disease. We believe that, in addition to other advantages, the convenience of the Zydis orally disintegrating tablet and oromucosal absorption make it a more convenient product for Parkinson's disease patients (many of whom have difficulty swallowing) than traditional capsules and tablets.

There can be no assurance that the NDA filed for Zelapar will be approved by the FDA, at a time and on a basis that allows the product to be competitive with other therapies for Parkinson's disease. There can also be no assurance that we will have the financial resources necessary to exercise the option. Additionally, even if an NDA is approved and we acquire the product, the product may not gain acceptance in the marketplace or generate sufficient revenues to offset our acquisition and other ongoing costs.

Our Huntington's Disease Strategy

LAX-101 (ethyl-eicosapentaenoate)

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

We announced positive results for two separate Phase II studies for LAX-101 that were published in the January 21, 2002 issue of NeuroReport, a peer-reviewed neurology journal. Following the positive results in these two separate Phase II studies, Laxdale began a Phase III double-blind placebo-controlled study in 2001

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

LAX-101 has been granted fast track designation by the FDA and has received orphan drug designation in the US and Europe. Fast track drugs are potentially eligible for expedited review. Orphan drugs are those that treat rare diseases or conditions, and in the US are eligible to receive special exclusivity and certain tax credits. However, orphan drug exclusivity does not bar competitors from developing other active molecules. In addition, the same molecule can be separately developed and approved within such special exclusivity period for the same indication if shown to be clinically superior or under other circumstances. Orphan drug status does not confer patent rights upon the holder, nor does it provide an exemption from claims of infringement of patents which may be held by third parties. Laxdale is pursuing a patent strategy for LAX-101 which it believes will provide significant protection for the product. There can, however, be no assurances that a competitive product will not be approved by the FDA, that any patents will be granted, or, if granted, that patents will ultimately be upheld if challenged. Fast track status generally represents the FDA's commitment to provide a six-month review period for a filed NDA, which is typically faster than the review period for most non-fast track drugs. Fast track status does not however guarantee a specific review time or a pre-determined outcome.

Moraxen (morphine sulphate suppository)

In January 2001, we obtained a license from CeNeS, for the exclusive US marketing rights to Moraxen. Moraxen is a novel and proprietary suppository formulation of morphine using patented hydrogel technology, which is currently approved and marketed in the UK and Ireland by Schwarz Pharma AG.

Under the terms of the license, we paid an up-front license fee of US$450,000 and would pay a royalty on all future sales.

However, CeNeS has experienced financial difficulties. We have recently considered the ongoing development program for Moraxen in light of the financial condition of CeNeS as well as the possible impact of recent findings following a meeting in the first quarter of 2002 of an advisory group to the FDA on the development of opioid pain products such as Moraxen. In the circumstances, it is unlikely that our development of Moraxen will continue. To reflect that likelihood, in December 2002 we took a write-off of our initial licensing payment for Moraxen in the amount of US$423,000 (£294,000). In order to reduce our administrative obligations and costs, it is likely that we will place the investigational new drug application for Moraxen on inactive status while we assess any further potential for continued development. See Item 3 "Key Information — Risk Factors — Our ability to generate revenues under our in-licensing agreements depends in part upon the financial condition of our licensors and the ability of our licensors to obtain regulatory approvals."

Primary Care Portfolio

Throughout 2002, we continued our efforts to reestablish the branded identity of our three principal primary care products: the Phrenilin line for headache; Bontril for obesity; and Motofen for diarrhea. For the year ended December 31, 2002, these three products accounted for approximately 86% of the revenues generated by our primary care portfolio and approximately 21% of our overall revenues. As described above in "— History and Development of the Company," we may sell all or substantially all of our primary care portfolio. There is no assurance that our efforts to dispose of any of these assets will be successful, and we have not predetermined a time frame for doing so. However, as part of the restructuring of certain of our obligations to Elan, we undertook to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to divest of these and certain other non-core assets. We intend to apply the proceeds, if any, from these asset disposals to reduce our payment obligations to Elan, with any remaining proceeds used to fund our core business. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Obligations — Additional Amarin Obligations to Elan."

Phrenilin Line

Phrenilin is indicated for the relief of the symptom complex of tension headache, which is caused by muscle contraction. Headache is one of the most prevalent conditions in the US. Other more severe forms of headache include migraine, chronic daily headache, cluster headache and medication rebound headache. Headaches are for the most part under-recognized and therefore under-treated. Phrenilin competes primarily against Esgic®, Fiorcet®, and Fiorinal®, as well as numerous over-the-counter headache remedies.

In the third quarter of 2002, we concluded that one product in the Phrenilin line, Phrenelin with Caffeine and Codeine had experienced intense generic competition and did not provide a competitive advantage. As a result, we took a one-time charge of $4.65 million relating to inventory write-offs and we have discontinued the sale of this product.

Bontril

Bontril is indicated in the management of exogenous obesity, which is defined as general obesity not attributable to any disease or other specific cause. Bontril is generally used over a period of several weeks as a short-term adjunct in a weight reduction regimen based on caloric restrictions. The percentage of overweight and obese people in the US has increased dramatically in recent years and is expected to continue rising. The US prescription market for obesity is estimated to be in excess of US$200 million. The two major drugs included in this category are Meridia®, produced by Knoll Pharmaceuticals Limited, and Xenical®, produced by F. Hoffman — La Roche AG.

Motofen

Motofen is indicated as an adjunctive therapy in the management of severe diarrhea and severe recurring or temporary diarrhea. Motofen competes primarily against Imodium®, produced by Janssen Pharmaceutica NV, and Lomotil®, produced by the Searle division of Pharmacia.

Amarin AB

Our Core Drug Delivery Technologies

Amarin AB owns nine distinct patented oral controlled-release and site-specific technologies, including six internally developed oral controlled-release drug delivery technologies, which regulate drug concentrations in the blood over extended periods of time by controlling the rate of release of active compounds into the body. These technologies have been utilized by us to develop a range of proprietary products. Four products using two of these technologies are currently being marketed. We believe that no single technology is entirely appropriate to the requirements and characteristics of all drugs. Amarin AB therefore has several oral technologies that can potentially be applied to a diverse range of drugs, including new chemical entities developed by other pharmaceutical companies. We continue to seek to refine, develop and acquire

technologies with broader applications and improved clinical effect with a view to obtaining further patent coverage.

As described above in "— History and Development of the Company," we have undertaken with Elan to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to dispose of Amarin AB, although we are exploring other methods of satisfying our payment obligations due Elan.

Oral Controlled-Release and Site-Specific Tablet Technologies

Amarin AB's first oral controlled-release product was approved in 1988. As at March 31, 2003, Amarin AB had independently developed, or was in the process of developing, six key pharmaceutical products incorporating its oral controlled-release technologies. Of these, five products had received regulatory approval in at least one country and two are currently being marketed in more than one country. The remaining products were either not being marketed or were in various stages of development.

DCV Oral Controlled-Release Technology

Amarin AB has developed three distinct patented systems based on the principle of diffusion of drug through a water insoluble membrane. These technologies are now marketed under the trade name Diffusion Controlled Vesicle, or DCV, having previously been marketed under the trademark Multipor.

Amarin AB's DCV system is used for the controlled release of substances for periods up to 24 hours. The patented technology consists of a tablet core incorporating the active ingredient surrounded by a water-insoluble membrane containing minute particles of water-soluble material. The soluble particles dissolve when the tablet is ingested, resulting in a macro-porous film structure through which drug is released at a steady rate. Principal licensees for the technology include Pharmacia, Sanofi-Synthelabo Groupe and Tanabe Seiyaku Co. Limited, which we may refer to in this annual report as "Tanabe". To date more than four billion tablets have been manufactured and used effectively by patients in more than 30 countries.

The original DCV technology is used in tablet form for the controlled release of water soluble drugs as described above. The second DCV patented system applies the DCV tablet principle to pellets, granules or minitablets, all of which are particularly useful for drugs having relatively low solubility. The third DCV patented system permits the incorporation of one or two drug substances into the DCV coating, giving an immediate release (loading dose), followed by the controlled release of either the same or another drug from the tablet core. The DCV system has been successfully used in marketed products including Amarin AB's principal oral controlled-release product, its twice-daily diltiazem tablet, and in the development more recently of Amarin AB's once daily morphine formulation in Japan.

Galacto-Mannan Matrix (GAMMA) Technologies

In March 2001, Amarin AB strengthened its controlled-release and site-specific technology portfolio with the acquisition of three non-synthetic polymer matrix oral technologies. Referred to as the GAMMA technologies, they are based on naturally occurring galacto-mannan polymer derived from the guar bean. Each of the three matrices has specific applications. The GAMMA extended release matrix can be made into tablets and granules for the controlled release of drugs. The colon specific matrix is a site-specific technology designed to delay the onset of release until the drug delivery system reaches the ascending colon. Finally, the gastro protective matrix is designed to potentially help reduce mucosal irritation associated with certain drugs such as non-steroidal anti-inflammatory drugs. Each of these technologies require further development prior to final application towards projects.

After further assessment of the data relating to GAMMA technologies, we decided to prioritize resources towards other technology development projects and to progress the GAMMA technologies only if and when a suitable partner and/or project is identified.

Triglas Oral Controlled-Release Technologies

Amarin AB has developed two distinct patented Triglas technologies to accommodate nifedipine and potentially other drugs that display poor solubility characteristics.

The original or first generation Triglas oral controlled-release system incorporates the drug into a solid single matrix, which allows for enhanced solubility to help ensure uniform absorption. This technology has now been superseded by the second generation Triglas oral controlled-release system. This system uses a polymer-based matrix which tailors the rate of drug release, thereby controlling absorption characteristics.

No further development is anticipated to take place with regard to this technology, which has only been used in a limited number of products.

Rhotard Oral Controlled-Release Technology

Amarin AB's double-matrix Rhotard technology involves two granulation stages during the tablet manufacturing process, which creates tablet products that control the rate at which active ingredient is released. This controlled-release process extends the period of time over which the drug is made available for absorption by the body. The Rhotard technology is currently used in one product and no further development is anticipated for this system.

Oral Controlled-Release Products for Cardiovascular Disease

Amarin AB has developed or is developing the following key products for the treatment of cardiovascular disease and has licensed or is seeking to license these products to various licensees as indicated below:

PRODUCT	TECHNOLOGY	DEVELOPMENT/ APPROVAL STATUS	LICENSING STATUS
Twice daily diltiazem tablet	DCV	Regulatory approval received in 33 countries not including the US.	Licensed in 58 countries worldwide not including the US and marketed in 31 countries.
Once daily diltiazem capsule (intended to be AB-rated to Cardizem CD)	DCV	Completion of ANDA for US is contingent on finding a licensee.	Unlicensed.
Once daily diltiazem tablet	DCV	Regulatory approval received in eight countries not including the US.	Licensed in nine countries not including the US and marketed in five countries.

Oral Controlled-Release Products for Moderate to Severe Pain

Amarin AB has developed or is developing the following products for the treatment of moderate to severe pain and has licensed or is seeking to license these products to various licensees as indicated below:

PRODUCT	TECHNOLOGY	DEVELOPMENT/ APPROVAL STATUS	LICENSING STATUS
Morphine twice daily tablet	Rhotard	Regulatory approval received in 31 countries not including the US.	Licensed in 37 countries worldwide not including the US and marketed in 15 countries.
Morphine once daily tablet	DCV	NDA submitted in Japan.	Licensed in Japan and available for license in US and Europe.

In October 2002, Tanabe, Amarin AB's Japanese partner for the development of a once daily morphine sulphate formulation, submitted an NDA dossier for this formulation to the Ministry of Health, Labor and Welfare in Japan for regulatory review. This submission follows the successful conclusion of an extensive clinical program undertaken by Tanabe in Japan.

The once daily morphine sulphate formulation is indicated for the relief of moderate to severe pain, and was developed by Amarin AB. Four dosage strengths have been developed — 20, 30, 60 and 120 mg — all of which utilise Amarin AB's patented DCV technology for the controlled release of morphine sulphate over a period of up to 24 hours. As part of the development process, the DCV technology has been licensed to our licensee Tanabe to enable the manufacturing of this product by Tanabe which will be responsible for manufacturing the product from its Osaka facility for commercial sale once approved.

Other Products Under Development Pursuant to Multi-Product Licensing and Development Agreements

Amarin AB is developing a number of products under separate multi-product licensing and development agreements. An agreement was signed in August 1994 with Schein Pharmaceutical, Inc., which has since been merged into Watson Pharmaceuticals, Inc. Since the commencement of this agreement, products have been developed in several therapeutic areas including endocrine and metabolic disease, and central nervous system disorders. However, Schein elected not to commercialize certain of these products, and the parties have now renegotiated the terms of this agreement. As a result of such renegotiation, Amarin AB is continuing the development of one product and Amarin AB and Watson are evaluating potential replacement development projects.

In March 2003, we announced that as part of our agreement with Watson, Amarin AB has developed a generic formulation of glipizide extended release tablets. Glipizide extended release tablets are marketed in the US under the trade name Glucotrol XL by Pfizer. Pfizer reported US Glucotrol XL sales of approximately US$265 million for the twelve months ending September 30, 2002. See Item 3 "Key Information — Risk Factors — We are dependent on patents, proprietary rights and confidentiality" with regard to a potential suit against us in respect of such glipizide generic product.

Other Products Under Development on a Contract Research Basis

In addition to developing products based on its proprietary oral controlled-release technologies, Amarin AB also assists third parties in developing controlled-release and immediate-release products using non-proprietary technology. Such projects are undertaken on a fee for service basis whereby Amarin AB receives an hourly fee and, in some cases, is reimbursed for specific project-related costs, but is not entitled to any royalty payments once the product is commercialized. For example, Amarin AB's development collaboration with a Finnish drug discovery company, Hormos Medical Ltd, was extended in September 2001, such that

Amarin AB is now undertaking work associated with the development of two immediate-release formulations of undisclosed new chemical entities.

Collaborative Agreements

During the year ended December 31, 2002, Amarin AB entered into a number of collaborative partnerships, some of which are described below.

NanoCarrier Company Limited

In February 2002, Amarin AB entered into a non-binding heads of terms with NanoCarrier Company Limited, a company based in Chiba, Japan. The parties currently intend to develop novel controlled release technologies for use in pharmaceutical products, and to develop a plan to share any resulting commercial benefits. The external costs of development would also be shared.

This potential collaboration has initially focused on the feasibility of developing a novel technology for the oral controlled release of nanoparticles. It is intended that this technology will utilize a combination of Amarin AB's DCV controlled release technology and NanoCarrier's micellar nanoparticle controlled release technology. If successful, the combination technology would offer the potential of oral delivery to an extensive range of molecules that are now difficult, if not impossible, to deliver orally. These molecules include certain water insoluble compounds, peptides and proteins.

Eiffel Research and Development Pty Limited

In April 2002, Amarin AB entered into an agreement with Eiffel Research and Development Pty Limited, a subsidiary company of Eiffel Technologies Limited to establish a strategic research collaboration. The collaboration was designed to improve extended-release pharmaceutical products by combining our proprietary drug delivery technologies with Eiffel's supercritical fluid drug bioengineering technologies.

The initial phase of the collaboration, during which each party is responsible for individual costs, will involve applying Eiffel's supercritical fluid drug technology to the production of sub-micron sized drug particles of a currently undisclosed drug substance. Those drug particles will then be incorporated into Amarin AB's DCV controlled-release technology. If successful, the new combination technology would potentially improve the extended-release of drugs that are difficult to deliver orally because of their low solubility in water and their low absorption into the bloodstream. The new technology could be applied to new compounds or drugs currently on the market but not available in extended-release formulations due to dissolution issues that negatively impact bioavailability.

CellGate Inc.

In August 2002, Amarin AB entered into a research collaboration with CellGate Inc. to assess the feasibility of improving Amarin AB's targeted and controlled delivery of oral pharmaceutical products by combining its proprietary drug delivery technology with CellGate's proprietary molecular transporter technology.

During the initial phase of the collaboration, during which each party will be responsible for individual costs, CellGate's technology will be used to develop drug transporter conjugates of two currently undisclosed drug substances. These drug conjugates will then be incorporated into Amarin AB's DCV controlled-release technology.

The scope of the research will initially focus on drugs that are difficult to deliver orally due to their low or local absorption into the bloodstream. The combination of the two technologies could be applied to new compounds, as well as currently marketed drugs, that are not available in extended-release formulations due to absorption issues that negatively impact bioavailability. If successful, the new combination technology could potentially improve the extended release profile of these drugs.

New Oral Technology Advances

Amarin AB intends to continue its strategy of enhancing its established technology portfolio in order to further broaden the range and type of molecules that can potentially be delivered for its clients. This expansion is taking place through either acquisition and in-house development of new platform technologies and/or establishing strategic collaborations with other technology companies.

Further developments continue to be made with the DCV system to enhance its applicability to an even wider selection of molecules. The first such development was DCV food protection, a coating system that minimizes or eliminates the potential of certain negative food effects. Patent applications have been made in Europe and Japan. Amarin AB's development of an aqueous DCV technology for soluble drugs has progressed to its final phase. A patent cooperation treaty and US patent applications have been submitted. Given the aqueous nature of the system it is anticipated that the technology will be attractive to the US market, as the manufacturing process will present fewer environmental issues than solvent based systems.

A patent application was made in February 2002 in Denmark, and was extended to a patent cooperation treaty filing in February 2003 for DCV- nano, a recent ongoing development allowing for the delivery of nano-particles through a membrane and which aims to expand the applicable range of the DCV system to all bioavailable drugs. A patent application for a second new development for the zero order delivery of extremely soluble drugs is planned, although it is uncertain as to when the application will be filed. For drugs with low solubility Amarin AB has developed a new matrix system referred to as ZOEM (zero order eroding matrix). Patent applications for this system were made in Sweden in late 2000 and the US in early 2001.

License Agreements

Following the disposal of our transdermal business the majority of our remaining out-licensing agreements relate to Amarin AB's controlled oral release technologies. Amarin AB's license agreements generally grant the licensee the right to manufacture, use and sell a product within a specified territory and the right to grant sub-licenses to other parties to do the same. Amarin AB's principal licensing partners are:

- Nycomed Holding ApS;
- Pharmacia;
- Watson Pharmaceuticals, Inc.;
- Sanofi-Synthelabo Groupe;
- Tanabe; and
- Sigma Tau SpA.

Competition

In our US sales and marketing business, we compete with other pharmaceutical companies for product and product line acquisitions, and more broadly for the distribution and marketing of pharmaceutical and consumer products. These competitors include companies which also seek to acquire branded pharmaceutical products and product lines from other pharmaceutical companies. Most of our competitors possess substantially greater financial, technical, marketing and other resources. In addition, we compete for supplier manufacturing capacity with other companies, including those whose products are competitive with ours. Additionally, since our products are generally established and commonly sold, they are subject to competition from products with similar qualities. Our pharmaceutical products may be subject to competition from alternate therapies during the period of patent protection, if applicable, and thereafter from generic equivalents. The manufacturers of generic products typically do not bear the related research and development costs or the invested capital in acquired brands and consequently are able to offer such products at considerably lower price. There are, however, a number of factors that enable products to remain profitable once patent protection has ceased. These include the establishment of a strong brand image with the prescriber or the consumer, supported by the development of a broader range of alternative formulations than

the manufacturers of generic products typically supply. See Item 3 “Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors.”

Government Regulation

Our product development activities are subject to extensive regulation by various government authorities, including the FDA and comparable regulatory authorities in other countries, which regulate the design, research, clinical and non-clinical development, testing, manufacturing, storage, distribution, import, export, labelling, advertising and marketing of pharmaceutical products and devices. Generally, before a new drug can be sold, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific to each regulatory authority and submitted for review. The data is generated in two distinct development stages: pre-clinical and clinical. For new chemical entities, the pre-clinical development stage generally involves synthesizing the active component, developing the formulation and determining the manufacturing process, as well as carrying out toxicology, pharmacology and drug metabolism studies which support subsequent clinical testing. Good laboratory practice requirements must be followed in order for the resulting data to be considered valid and reliable. For established molecules this stage can be limited to formulation and manufacturing process development and in vitro studies to support subsequent clinical evaluation.

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

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

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

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

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

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

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

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

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

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

throughout the European Union and confers the same rights and obligations in each of the member states as a marketing authorization granted by that member state.

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

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

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

In the US, the manufacturing of our products is subject to comprehensive and continuing regulation by the FDA. The FDA regulations require us to manufacture our products in specific approved facilities and in accordance with current good manufacturing practices, and to list our products and register our manufacturing establishments with the FDA. These regulations also impose certain organizational, procedural and documentation requirements upon us with respect to manufacturing and quality assurance activities. Our contract manufacturers are subject to inspections at any time that could interrupt the manufacturing operation if any facilities are found to be operating in an unsatisfactory manner.

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

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

We know of no material violations by us or any of our contractors of these regulations as of the date of this annual report.

We believe that us and our vendors have the proper FDA and other regulatory approvals for drugs being distributed. The failure to comply with regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts. In addition, even if we comply with FDA and

other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval. Prohibitions or restrictions on sales or withdrawal of products marketed by us could materially affect our business in an adverse way.

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

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

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

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

Manufacturing and Supply

We have concentrated pilot manufacturing of oral drugs at Amarin AB's good-manufacturing-practices facilities in Malmö, Sweden. The facility in Malmö is fully approved by the Medical Products Agency in Sweden for the pilot scale manufacture of products suitable for clinical usage. The good-manufacturing-practices pilot manufacturing facility encompasses 4,090 square feet and is utilized for formulation and development activities associated with our external and internal projects together with contract manufacture of clinical supplies for third party companies.

Certain of our currently marketed oral controlled-release products are manufactured and supplied to our licensees by our two contract manufacturers, one of which is located in the UK and one of which is located in Sweden. Production and technology transfer to licensees has been made to companies in France, Italy, Denmark, Republic of Ireland, South Korea, India, China, the US and Japan to enable the production of products incorporating certain of our technologies. Ongoing transfer projects include companies in the US and Japan.

Full-scale production is available to us through an arrangement with QPharma AB in Malmö, which we believe will be able to supply capacity for the production of oral formulations for the foreseeable future. See Item 3 "Key Information — Risk Factors — Our supply of products could be disrupted by problems affecting our manufacturers and key suppliers" for further risks related to our manufacturing arrangements. Also, see "— Government Regulation" above for details of regulatory requirements related to the manufacture and supply of our products and the affect of such regulations on ourselves and our manufacturers and suppliers.

Patents and Proprietary Technology

We firmly believe that patent protection of our technologies, processes and products is important to our future operations. The success of our products may depend, in part, upon our ability to obtain strong patent protection. To date, patents covering a number of our products and processes have been granted in various countries in favour of us or our licensors. There can be no assurance, however, that these patents, or any

additional patents, will prevent other companies from developing similar or functionally equivalent dosage forms of products. Furthermore, there can be no assurance that:

- any additional patents will be issued in any or all appropriate jurisdictions;
- our existing patents will not be successfully challenged in the future;
- our technologies, processes or products do not infringe upon the patents of third parties; or
- the scope and validity of our patents will prevent third parties from developing similar products.

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

Our strategy is to file patent applications where we think it is appropriate to protect and preserve the proprietary technology and inventions considered significant to our business. We also rely upon trade secrets and know-how to retain our competitive position. We make patent applications either on a country-by-country basis or by using the European or international patent cooperation treaty systems. The existence of a patent in a country may provide competitive advantages to us when seeking licensees in that country. In addition, patents are important to us since, under a number of our license agreements with third parties, failure to obtain or maintain patents will reduce the royalty rate to which we are entitled. In general, patents granted in most European countries have a twenty-year term, although in certain circumstances the term can be extended by supplementary protection certificates. We are dependent in some cases upon our third party licensors to pursue filing, prosecution and maintenance of patent rights or applications owned or controlled by those parties. While we will be actively involved, we may not control the actual filing, prosecution or maintenance of patent rights or applications by our licensors. As of March 31, 2003 we maintained 128 patents and had 19 additional patent applications pending.

We hold patents for each of our primary oral controlled-release delivery technologies. We have developed three distinct patented systems under the Multipor trademark, now marketed under the trade name DCV. Patents have been granted for the original DCV tablet technology in 28 countries worldwide including the US. Patents have been granted for the DCV pellet technology in 29 countries including the US, and an application is pending in one additional country. Patents have been granted and maintained for the DCV biphasic tablet in 28 countries including the US. Our once daily morphine DCV formulation has been granted patent protection in 26 countries worldwide not including the US, and applications in four countries are currently pending.

Patents have been granted for our double-matrix Rhotard technology in 22 countries including the US, and an application is pending in one additional country.

A number of patents have been granted for our first and second generation Triglas technology. These are being allowed to lapse as the technology has been superseded by our other technologies.

Amarin’s GAMMA technologies have been granted eight patents in three countries including the US, with three applications pending in a further two countries.

Patent applications for our technologies DCV-acqua, DCV-nano and DCV-food protection on erodable matrix have been filed in nine jurisdictions including the US and Japan.

It is possible that third parties will obtain patents or other proprietary rights that might be necessary or useful to us. In cases where third parties are first to invent a particular product or technology, it is possible that those parties will obtain patents that will be sufficiently broad so as to prevent us from utilizing such technology. In addition, we use unpatented proprietary technology. There can be no assurance that others will not develop similar technology. See Item 3 “Key Information — Risk Factors — We are dependent on patents, proprietary rights and confidentiality.”

C. Organizational Structure

We conduct our pharmaceutical sales activities through our indirectly wholly owned subsidiary API and our drug delivery activities through our indirectly wholly owned subsidiary Amarin AB. Amarin Corporation plc holds 100% of the outstanding equity of Amarin Pharmaceuticals Company Limited. Amarin Pharmaceuticals Company Limited holds 100% of the outstanding equity of API and Gacell Holdings AB and otherwise conducts no significant operations. Gacell Holdings AB holds 100% of the outstanding equity of Amarin AB and otherwise conducts no significant operations.

Details of all of our significant subsidiaries are summarised below:

Subsidiary Name	Country of Incorporation or Registration	Proportion of Ownership Interest and Voting Power Held
Amarin Development (Sweden) AB	Sweden	100%
Gacell Holdings AB	Sweden	100%
Amarin Pharmaceuticals, Inc.	US (Delaware)	100%
Amarin Pharmaceuticals Company Limited	England	100%

D. Property, Plants and Equipment

The following table lists the location, use and ownership interest of our principal properties as of March 31, 2003:

Location	Use	Ownership	Size (sq. ft.)
Ely, Cambridgeshire, England			
Ground Floor	Vacant	Leased	7,135
First Floor	Offices	Leased and sub-let	2,800
Godmanchester, Cambridgeshire, England	Offices	Leased and sub-let	7,000
Warren, New Jersey, US	Vacant	Leased	5,521
Malmö, Sweden	Offices, laboratory and pilot manufacturing	Leased	44,000
Mill Valley, California, US	Offices	Leased	9,585
London, UK	Offices	Leased	2,830

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

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

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

We have no manufacturing capacity at any of the above properties except for a pilot scale up manufacturing plant in Malmö, Sweden. This plant is used for development purposes only and does not manufacture product for commercialization. This facility is utilised at a rate of approximately 50% of capacity on an annual basis. See “— Business Overview — Manufacturing and Supply.”

Item 5 Operating and Financial Review and Prospects

A. Operating Results

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

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

Overview

In March 2002, we consummated our exercise of the option to acquire from Elan, a related party, the remaining US rights to Permax. Prior to the exercise of the option, we had been acting in the capacity of exclusive US distributor of Permax. The exercise of the option triggered an additional $37.5 million in deferred fixed payments to Elan, $7.5 million of which was paid on exercise of the option and $2.5 million of which was paid in July 2002. The balance was reduced in January 2003 by $7.5 million and two installments of $2.5 million were made in January and March, respectively with the remaining amount being payable in six quarterly instalments of $2.5 million. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.” We were required to pay royalties to Elan of between 3.0% and 3.5% on all of our US net sales of Permax in 2002 increasing to 10% on all of our US net sales of Permax thereafter. In addition, we have received contributions from Elan towards the cost of product returns relating to sales made prior to our acquisition of the Permax sales rights.

Revenue

Revenues from the continuing business for fiscal 2002 were £40.6 million, an increase of £3.7 million over 2001. The increase was principally due to the increase in royalty and product sales of £2.8 million.

For 2002, Permax generated £26.4 million of revenues compared to £18.6 million in 2001. This increase was caused by the inclusion of Permax revenues for a full year, versus only seven months in 2001. In-market total Permax prescriptions fell to 160,469 in the year to December 31, 2002 from 192,222 in the prior year, a decline of 17%. At the same time, however, according to external industry data, total prescriptions for the dopamine agonist market in which Permax competes grew by 14% to 1.4 million in the year to December 31, 2002 over the prior year. As described in Item 3 “Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors,” we attribute the decline in prescriptions of Permax to the introduction of a competitive generic product and to an article reporting a possible connection between pergolide, which is ergot-derived, and valvular heart disease. As discussed in Item 3 “Key Information — Risk Factors — Our revenues are predominantly based upon our levels of sales to wholesalers and similar purchasers of inventory in the US,” the levels of inventory held by wholesalers and similar customers impacts the level of sales made by us. At the end of 2002, based on an externally sourced report, wholesalers and similar customers held approximately 5.1 months’ supply at the end of 2002 (based on December 2002 in-market demand) compared to 6.8 months (based on December 2001 in-market demand) at the end of 2001.

The primary care portfolio generated £10.1 million in 2002, compared to £11.6 million in 2001. This decrease was mainly due to the discontinuation of Phrenilin with Caffeine and Codeine during 2002 caused by severe competition from generic competitors. The Phrenilin family of products generated revenues of £4.2 million in 2002, compared to £6.1 million in 2001. In-market total prescriptions for the Phrenilin family declined 12% in the year ended December 31, 2002 compared to the prior year. According to external industry data, the butalbital market in which Phrenilin competes declined 36% over the same period. Bontril generated revenues of £3.6 million in 2002 compared to £4.0 million in 2001 and in-market, its total prescriptions were up 16% in 2002, again compared to 2001. According to external industry data, total prescriptions of the anti-obesity market in which Bontril competes declined 20% over the same period. Motofen generated revenues of £0.8 million in 2002 compared to £1.0 million in 2001 and its total prescriptions were up 2% in the same period. Total prescriptions of the anti-diarrhoeal market in which Motofen competes were down 3% in 2002 compared to 2001 according to external industry data.

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

Royalty revenues were £1.1 million for fiscal year 2002 compared to £1.6 million in 2001. This decrease was mainly due to erosion of the market share of diltiazem. Licensing and development fees were £2.1 million for the year compared to £1.5 million in 2001. Increases in licensing and development fees were entirely due to new fees for service contracts which were performed by our development company in Malmö, Sweden. The principal licensing and development contracts in 2002 were with Tanabe, Kissei Pharmaceutical Co., Ltd. and Athpharma Limited.

As described in Item 3 "Key Information — Risk Factors — We are dependent on a few customers for the majority of our revenue," in 2002, 23% of our revenue was attributable to one customer, compared to 10% in 2001, and the next four largest customers accounted for an additional 56% of our revenue, compared to 26% in 2001.

The gross margin for 2002 from continuing business decreased to 54% compared to 60% for 2001. The 2002 cost of sales included a £2.9 million ($4.7 million) one-time inventory write off provision in relation to the discontinuance of Phrenilin with Caffeine and Codeine. Excluding the impact of this charge, the gross margin was 61%. Permax had a margin of 59% in 2002 compared to 55% in 2001. The primary care product portfolio had a combined average gross margin of 69% in 2002 compared to 72% in 2001.

Operating Expenses

Total operating expenses for the continuing business were £42.2 million compared to £25.7 million in 2001, an increase of 64%. Total selling, general and administrative expenses from continuing operations of £38.3 million accounted for 91% of total expenditures and represented an increase of 68% in 2002 over selling, general and administrative expenses in 2001.

Included in the 2002 selling, general and administrative expenses were impairment charges of £24.1 million relating to the write down of the intangible assets of Permax (£23.8 million) and Moraxen (£0.3 million). The Permax impairment charge arose as a result of the launch of a generic form of Permax in the last quarter of 2002. See Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease Strategy — Permax."

Included in total operating expenses for 2002 was £0.9 million in royalties and distribution fees to Elan for sales of Permax, as compared to £2.2 million in royalties and distribution fees to Elan for Permax sales in 2001.

Also included in the 2002 selling, general and administrative expenses was a £0.3 million provision for the closure of the New Jersey facility, which took place during 2002.

Amortisation, which is included in selling, general and administrative expenses, decreased to £4.6 million in 2002 from £14.2 million in 2001. The 2001 charge includes £12.5 million relating to the accelerated amortization of the Permax intangible prior to the exercise of the option to acquire all US Permax rights. Most of the amortization charge in 2002 reflects expense in relation to the Permax intangible following our exercise of our option to acquire the remaining US rights to Permax.

Included in the selling, general and administrative expenses in 2002 was a foreign exchange gain of £5.0 million compared to a loss of £0.2 million in 2001. The exchange gain resulted from translating dollar denominated balance sheet amounts into pounds sterling at the prevailing exchange rates. As of January 1, 2003 we changed our functional currency from pounds sterling to US dollars, which will eliminate the effect of foreign exchange rates on US dollar amounts from that date forward. Our foreign currency net investments are not hedged by currency borrowings or other hedging instruments.

Excluding amortisation and non-recurring items, total selling, general and administration expenses increased by 38% to £14.7 million. This increase was largely due to the inclusion for a full year of the sales

and marketing office in Mill Valley, California and of the sales force. This sales force actively markets Permax and Phrenilin Forte.

Research and development expenditure on continuing operations increased 36% in 2002 to £3.9 million. This increase was largely driven by the continued focus on fee for service contracts at our development facility in Malmö, Sweden, along with the enlargement of a regulatory and medical function in our US business.

Interest Income and Interest Expense

Interest income of £0.2 million in 2002 was entirely earned from cash balances held on deposit. Interest expense in 2002 of £1.5 million included a provision of £0.3 million representing interest on a capital gains tax liability in relation to the disposal of assets in a discontinued business in 1999. The remaining interest of £1.2 million in 2002 was accrued on the remaining balance of US$42.5 million of the loan from Elan, which is explained in more detail below in "— Liquidity and Capital Resources."

Discontinued Operations

As all but one of our contracts in relation to discontinued operations were assigned or terminated at the end of 2001, there were no corresponding revenues in 2002.

During 2002, a provision of £0.7 million was released in relation to the transdermal contracts. The provision had been created for the anticipated costs associated with the termination or assignment of the transdermal contracts. These costs are no longer expected to crystallize.

Included in the 2002 tax on profit on ordinary activities of £2.2 million is a provision of £1.6 million in relation to corporate tax on the capital gain incurred on the disposal of assets in a discontinued business which took place during the 1999 fiscal year.

Comparison of Fiscal Years ended December 31, 2001 and December 31, 2000

Overview

In May 2001, we entered into an agreement, which was amended and restated in September 2001, for the exclusive US marketing, distribution and purchase option rights to Permax. These rights were obtained from Elan, a related party. At that time, Elan held an exclusive license from Lilly, the holder of the NDA for Permax, to market and distribute this product in the US. We have since exercised an option to acquire the remaining US rights. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions."

Pursuant to the distribution agreement, we paid approximately US$47.5 million to Elan in consideration for the purchase option, US$45 million of which was represented by a loan note. We also agreed to pay Elan royalties on sales, with approximately US$3.2 million of royalty payments having been made from May 2001 through December 31, 2001.

Revenue

Revenues for the continuing business for fiscal 2001 were £36.9 million, an increase of £26.4 million from 2000. Of this increase, £18.6 million was attributable to the inclusion of seven months of Permax revenues, for which a marketing, distribution and purchase option was entered into in May 2001. In addition, for 2001, we accounted for sales from the primary care product portfolio of £11.6 million, compared to £6.8 million in 2000. This increase was driven by growth in Bontril and Phrenilin sales as well as the launch of Phrenilin with Caffeine and Codeine in the fourth quarter of 2001. As described above in "— Comparison of Fiscal Years Ended December 31, 2002 and December 31, 2001 — Revenue," sales of Phrenilin with Caffeine and Codeine were discontinued in 2002. Overall the increase in revenues from the primary care product portfolio was attributable both to greater volumes being shipped and to price increases during 2001. Royalty revenues were £1.6 million for fiscal year 2001 compared with £1.5 million in 2000. Licensing and

development fees were £1.5 million for the year compared to £0.8 million in 2000. Increases in licensing and development fees were entirely due to new fees for service contracts which were performed by our development company in Malmö, Sweden. The principal contracts completed in 2001 were with Hormos Medical Ltd. and Microdrug AG.

The gross margin for 2001 decreased to 60% compared to 70% for 2000. This decrease was largely due to the introduction of Permax sales which had a margin of 55%. Permax made up 50% of continuing revenues. The primary care product portfolio made up 58% of total continuing revenues in 2001 and had a combined average gross margin of 72% in 2001 compared to 70% for 2000. Permax had a lower margin compared to our primary care product portfolio margins due to Permax having a comparatively higher cost of goods, which costs are determined under a contractual arrangement for the manufacture of Permax with Lilly, the NDA holder.

Operating Expenses

Total operating expenses for the continuing business increased by 180%, or £16.6 million, in 2001 to £25.7 million. Included in selling, general and administrative expenses was an amortization charge of £12.5 million relating to the sales and marketing option element of the Permax intangible. In 2001, £32.6 million ($47.5 million) was paid towards acquiring rights in Permax, which amount was allocated into two distinct portions at December 31, 2001 based on the net present value of future cash flows:

- an initial distribution, sales and marketing right; and
- an exclusive option to acquire full license rights, with continuing distribution, sales and marketing rights.

The initial sales and marketing right gave us the exclusive right to market, sell and distribute Permax from May 17, 2001 to May 16, 2002. The exclusive option to acquire continuing rights in Permax would have expired on May 16, 2002 but was exercised prior to that date. The remaining £1.7 million amortization charge at December 31, 2001 relates to seven months amortisation of the initial sales and marketing right. Excluding both elements of the amortization for the year total operating expenses increased by 45%, or £4.1 million, over 2000. This increase was largely due to the establishment of a sales and marketing office in Mill Valley, California and the recruitment of a 24 person sales force. This sales force actively markets Permax.

Research and development expenditure decreased 16% in 2001 to £2.8 million. This was largely driven by the continued focus on fee for service contracts at our development facility in Malmö, Sweden.

Interest Income and Interest Expense

Interest income of £0.5 million was entirely earned from cash balances held on deposit. Interest expense in 2001 of £0.3 million was accrued on the US$45 million loan from Elan, which is explained in more detail below in "— Liquidity and Capital Resources."

Discontinued Operations

The profit on discontinued operations in 2001 of £0.3 million includes royalties, manufacturing income and costs from transdermal contracts that were not assigned to Elan at December 31, 2000. This profit from discontinued operations also includes the release of a £0.7 million provision created at December 31, 2001 for the anticipated costs associated with the termination or assignment of these transdermal contracts.

The profit from discontinued activities also includes a loss of £0.9 million relating to the sale of the South American transdermal business which was disposed of on November 30, 2001. The sale was made to the local management team at a purchase price of £0.3 million. The loss is primarily related to the write-off of the intellectual property rights associated with the South American business.

Critical Accounting Policies

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

Intangible Assets

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

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

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

Revenue recognition

We derive a significant majority of our revenues from the sale of pharmaceutical products. We recognize revenue for the invoiced value of products delivered to the customer, less applicable discounts. Our normal sales terms allow for product returns under certain conditions. We accrue for estimated sales returns and allowances and offset these amounts against revenue. We regularly review our estimates against actual returns and also factor in other variables such as planned product discontinuances and market and regulatory considerations. We record estimated sales returns as a reduction to sales, cost of sales and accounts receivable and an increase to inventory. Actual returns, as well as realized values on returned products, may differ significantly, either favourably or unfavourably, from our estimates.

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

Impact of Inflation

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

Governmental Policies

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

B. Liquidity and Capital Resources

We have financed our operations through cash generated from operations as well as the issuance of debt and equity securities. Over the three years ended December 31, 2002, we have received £9.2 million in cash from the issuance of shares. Over this time period we have also received £30.9 million in loans, all of which have been provided by our related party Elan.

Cash

As of December 31, 2002, we had approximately £15.1 million (US$24.3 million) in cash. This cash has been invested primarily in US dollar denominated money market and checking accounts with financial institutions in the UK having a high credit standing. As of March 31, 2003, we had approximately US$14.2 million (£9.0 million) in cash.

Cash flows from operations provided £3.8 million of cash for the year ended December 31, 2002 as compared to £11.7 million for the year ended December 31, 2001 and £3.5 million for the year ended December 31, 2000. Despite incurring an operating loss on continuing operations of £20.3 million in 2002, we generated cash inflows from operations of £3.8 million because of non-cash charges of £29.2 million (amortization, depreciation and impairment charges), a reduction in net working capital of £1.2 million and a offset by a non-cash foreign exchange gain of £6.3 million.

Cash flows from investing activities used £7.1 million in cash in 2002 as compared to £33.4 million in 2001. Our principal investing activities relate to the purchase of the remaining US rights to Permax from Elan in 2002 for which $10 million out of $37.5 million was paid during 2002, the purchase of the distribution rights to Permax from Elan in 2001 for £32.3 million ($47.5 million) and the purchase of the license rights to LAX-101 in 2000 for £3.9 million, the latter being offset by net cash acquired with the return of transdermal contracts.

Cash outflows from financing activities in 2002 were £1.8 million compared to cash inflows of £31.1 million and £6.3 million for the years ended December 31, 2001 and 2000, respectively. Net cash provided by financing activities in 2001 was largely due to the US$45 million loan provided by Elan. The 2002 purchase of the remaining US rights to Permax consisted of a non-cash movement due to the creation of a scheme of deferred payments of which $27.5 million was outstanding at the year end.

As described in Item 4 “Information on the Company — History and Development of the Company,” we completed a private placement of 6,093,728 Ordinary Shares, raising gross proceeds of approximately £13.2 million ($21.2 million) in January 2003. As part of the private placement, we issued warrants to acquire 313,234 Ordinary Shares at an exercise price of $3.4785 per share, which warrants are exercisable between January 27, 2004 and January 26, 2008. The net proceeds of our January 2003 private placement (taking into account the cash fees of our placement agent but not our legal, travel, printing or other expenses) were approximately £12.6 million ($20.1 million). We applied a portion of these net proceeds, together with available cash reserves, to satisfy certain payment obligations to Elan. See “— Contractual Commitments,” Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions” and our financial statements beginning at page F-1 of this annual report.

Contractual Commitments

Our major outstanding contractual commitments are comprised of loans, deferred fixed payments and royalties, in each case owing to Elan. The loans are denominated in US dollars. One loan was incurred in connection with our acquisition of the US rights to Permax. It bears interest at LIBOR plus two percent per annum and as of December 31, 2002, £26.4 million ($42.5 million) of this loan was outstanding, payable in three tranches. The first tranche of £10.9 million ($17.5 million) was due on December 31, 2002 and was paid in January 2003. A second tranche of £6.2 million ($10 million) was due in September 2003 but subsequent to the 2002 year-end has been renegotiated with a due date of September 30, 2004. The third tranche of £9.3 million ($15 million) was due in September 2004 but also subsequent to the 2002 year-end has been renegotiated with a due date of September 30, 2005. The other loan arose on the purchase of the

Carnrick line of products in 1999 and is interest free. As at December 31, 2002, £4.0 million ($6.5 million) of this loan was outstanding and is repayable in full, in either cash or our Ordinary Shares, in September 2004.

Our deferred fixed payment obligations to Elan were incurred in connection with our acquisition of the US rights to Permax. Of these obligations, £17.1 million ($27.5 million) was outstanding at December 31, 2002, being the quarterly payment due in December 2002 of £1.55 million ($2.5 million) that was paid in January 2003 and ten future quarterly instalments of £1.55 million ($2.5 million), the last one due in September 2005. Subsequent to the year-end, two repayments of $2.5 million were made and, as a part of our re-negotiation with Elan, the commitment has been reduced by the elimination of the last three quarterly payments totalling £4.67 million ($7.5 million). For further information regarding the renegotiation of payment obligations to Elan, see Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

We were also required to pay royalties to Elan of between 3.0% and 3.5% on all of our US net sales of Permax in 2002 increasing to 10% on all of our US net sales of Permax thereafter. In addition, we have received contributions from Elan towards the cost of product returns relating to sales made prior to our acquisition of the Permax sales rights. If net sales of Permax in 2003 and 2004 exceed specified dollar amounts, we will be required to pay Elan a percentage of the amount by which net sales exceed such levels. Conversely, if net sales in 2003 and 2004 fall below the specified levels, we will be entitled to credit against future royalties payable to Elan a percentage of the amount by which net sales fall short of such levels.

In conjunction with our private placement in January 2003, we restructured certain terms of our existing commitments to Elan and repaid certain amounts that were due to Elan. The restructuring and repayment of certain obligations to Elan are described in more detail under Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.” In addition, as described in Item 4 “Information on the Company — History and Development of the Company” and Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions — Additional Amarin Obligations to Elan,” we have undertaken with Elan to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell all or substantially all of Amarin AB and/or our primary care portfolio for upfront cash consideration of a reasonable sum and as expeditiously as practicable, although we are exploring other methods of satisfying our payment obligations due Elan. We have also agreed with Elan that if, at any time and from time to time prior to our payment in full of:

- the balance of the non-refundable sum of $30 million due Elan for the acquisition of Permax (as at March 31, 2003, $15.5 million):
- the $6.5 million due in respect of the Carnrick line of products; or
- the balance (as at March 31, 2003, $25 million) of the $45 million loan due Elan,

we receive financing relating to the issuance of equity securities, warrants to acquire equity securities or debt convertible into equity securities, that we will apply one-half of the net proceeds of such financing toward the payment of such obligations.

As we have previously reported, our balance sheet as at December 31, 2002 reflects negative total shareholders’ funds. As a result, Nasdaq recently questioned whether we meet its minimum stockholders’ equity requirement for continued listing on the Nasdaq National Market. We have explained to Nasdaq that when our January 2003 private placement and restructuring of payment obligations with Elan are taken into account, we do meet Nasdaq’s minimum stockholders’ equity requirement. We have included the following information as a result of Nasdaq’s requirement that we include in our annual report a table reflecting our shareholders’ funds after giving effect to our January 2003 private placement and the restructured payment obligations to Elan. The following table sets forth our summarized balance sheet at December 31, 2002 and a summarized balance sheet adjusted to give effect to our receipt of approximately £12.6 million ($20.1 million) in net proceeds (taking into account the cash fees of our placement agent but not our legal, travel, printing or other expenses) from the completion of the private placement, the restructuring of the payment obligations to Elan and the application of the net proceeds of the private placement to certain Elan obligations. See also Item 4 “Information on the Company — History and Development of the Company,”

Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions” and Item 10 “Additional Information — Material Contracts.”

	Balance Sheet as at December 31, 2002	Adjustments (1)	Adjusted Balance Sheet
	(Audited) £’000	(Unaudited) (2) £’000	(Unaudited) £’000
Fixed Assets	30,959	—	30,959
Current Assets	29,565	(5,098) (3)	24,467
Total Assets	60,524	(5,098)	55,426
Current Liabilities	(41,557)	23,913 (4)	(17,644)
Long Term Liabilities	(22,823)	(1,553) (5)	(24,376)
Total Liabilities	(64,380)	22,360	(42,020)
Total Shareholders’ (Deficit)/Funds	(3,856)	17,262 (6)	13,406

Notes:

(1) Only those transactions as described immediately above this table have been reflected in the adjustments above.

(2) The US dollar to pounds sterling exchange rate as at December 31, 2002 has been applied to the adjustments. All transactions included as adjustments took place between January 16, 2003 and January 27, 2003.

(3) The adjustment to Current Assets is represented by the following items, using exchange rates at December 31, 2002:

	£’000
Gross proceeds of private placement	13,167
Issuance costs	(564)
Net proceeds of private placement	12,603
Loan, royalties and interest repayments to Elan	(17,701)
	(5,098)

(4) The adjustment to Current Liabilities is represented by the following items, using exchange rates at December 31, 2002:

	£’000
Loan, royalties and interest repayments to Elan	17,701
Loan restructuring, deferred by one year	6,212
	23,913

(5) The adjustment to Long Term Liabilities is represented by the following items, using exchange rates at December 31, 2002:

	£’000
Loan restructuring, deferred by one year	(6,212)
Loan forgiven by Elan	4,659
	(1,553)

(6) The adjustment to Shareholders' (Deficit)/Funds is made up of the movements in items 3 and 5, but specifically is represented by the following items at December 31, 2002:

	£'000
Nominal value of shares issued in private placement	6,094
Premium arising on shares issued	7,073
Total share proceeds from private placement	13,167
Issuance costs	(564)
Loan forgiven by Elan	4,659
	17,262

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

	Payments due by period in £ 000's						
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Thereafter
Long term debt	4,038	—	4,038	—	—	—	—
Capital lease obligations	132	12	120	—	—	—	—
Operating leases	5,073	623	623	623	613	613	1,978
Unconditional Purchase Obligations	—	—	—	—	—	—	—
Other long term obligations (Permax)	24,846	6,212	9,317	9,317	—	—	—
Total	**34,089**	**6,847**	**14,098**	**9,940**	**613**	**613**	**1,978**

We will not incur any capital commitments relating to Zelapar unless and until we exercise our option relating to this product. The option does not expire until a period of time after the FDA grants approval of the NDA for Zelapar, which is not expected to occur, if at all, before the second half of 2003. If we exercise the option, we would be required to make an initial payment of approximately US$10 million to Elan upon the closing of the exercise of the option. The option agreement, as amended in January 2003, provides for three additional milestone payments aggregating US$47.5 million, contingent on achieving certain revenue levels, with a final milestone of US$15 million payable eight years from exercise of the option. The final payment is subject to certain extension rights, and is also subject to certain reductions based on prior royalty payments made by us to Elan. If we acquire the rights to Zelapar, Elan would be entitled to reclaim those rights under certain circumstances involving a breach by us of our obligations to the Elan group of companies or our insolvency. Also under the option agreement, as amended in January 2003, we have agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs relating to Zelapar. One half of such costs paid by us will be credited (up to a maximum of US$5 million) against the US$17.5 million first milestone payable under the option agreement. We would also be required to make royalty payments to Scherer and Elan based on net sales of Zelapar in the US. If exercised, consummation of the option would be subject to customary closing conditions, including approval under the US Hart-Scott-Rodino Antitrust Improvements Act. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions."

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

As indicated in Item 4 "Information on the Company — History and Development of the Company," we have entered into an agreement with F. Hoffmann — La Roche Ltd. and Hoffmann — La Roche Inc. to acquire rights to a Parkinson's disease product, which acquisition is contingent on a number of conditions, including our having sufficient funds on-hand. If completed, we would be required to make an upfront payment of US$12.5 million and subsequent milestone payments as described in the agreement.

General

We have evaluated our anticipated cash flow through April 30, 2004, based on our current estimates of future sales, payment obligations and trends in trading performance since the end of 2002. Based on our

anticipated cash flow and our cash balances as at March 31, 2003, we estimate that we can fund our operations and meet our obligations through at least April 30, 2004. However, due to competition from generic products, sales of Permax are declining significantly. See Item 4 “Information on the Company — Business Overview — Our Parkinson’s Disease Strategy.” If, due to declining sales or other factors, we are unable to generate sufficient cash flow, we will need to seek other financing alternatives to meet our operating expenses and other obligations, including our payment obligations for Permax. A failure to do so would have serious consequences to us, including the possibility of a default in our payment obligations (which could lead to a forfeiture of our rights to market Permax).

In addition, we will need to raise additional funds, through equity, debt or other forms of fundraising or the disposal of assets, to repay the $6.5 million loan due Elan which falls due in September 2004 and the $45 million loan due Elan ($25 million remaining as at February 28, 2003), $10 million of which falls due on September 30, 2004 and $15 million of which falls due on September 30, 2005.

Any acquisition of additional products, including an exercise of our option to acquire the US rights to Zelapar, would also require funding, which could take the form of an equity offering, debt issuance or other form of financing.

We are currently investigating our financing options and we may seek to raise additional capital through further public or private equity offerings, additional debt financing, asset dispositions or other forms of financing. No assurance can be given that additional financing will be available when needed or that, if available, will be obtainable on favourable terms. In addition, as indicated in “— Contractual Commitments” above, we have agreed with Elan to apply one-half of the net proceeds of equity-related financings toward certain obligations that we owe Elan. Our ability to raise such finance will be dependent upon numerous factors, including our financial condition, the market price of our ADSs and general market conditions.

If adequate funds are not available when needed, or if we are unable to enter into new revenue-generating commercial agreements, we may be forced to seek renegotiation of the payment terms of our related party debt or the terms of our payments relating to Permax, forego further product development acquisitions and dispose of assets. Our failure to do so, or any consequential loss of our rights to Permax or other products, would have a material adverse impact on our financial condition and results of operations and could lead to a possible delisting of our ADSs on Nasdaq and the need to reevaluate our ability to continue as a going concern.

C. Research and Development

To date we have managed development risk by structuring agreements such that our development partners incur the cost of research and development activities for products we license from them. The exceptions are in our Swedish facility, where development costs are incurred on a contract basis in return for fees and/or milestones and under our agreement with Elan regarding Zelapar. Under that agreement, approved reasonable and verifiable out of pocket cost incurred after December 31, 2002 are shared. See Item 4 “Information on the Company — Business Overview — Our Parkinson’s Disease Strategy — Zelapar. Research and development costs are written off as they are incurred, except as indicated in Note 2 to the consolidated financial statements beginning on page F-1 of this annual report. Research and development expenditure can be summarized as follows:

Year	Expenditure (£’000)
2002	3,859
2001	3,147
2000	3,846

D. Trend Information

Revenues from Permax have been in decline since year-end, due to the impact of the generic version launched in December 2002 and the change (and the circumstances surrounding the change) to the Permax

label to include the potential risk of valvular heart disease. See Item 3 “Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors” and “— We are subject to continuing potential product liability.” See also Item 4 “Information on the Company — Business Overview — Our Parkinson’s Disease Strategy — Permax.” For the first two months of 2003, total prescriptions of Permax have fallen by approximately 40% when compared to the comparable period of the year 2002, which is at the higher end of our range of our expectations. Total prescriptions for Bontril, Phrenilin and Motofen are down 4%, down 22% and level, respectively, for the first two months of 2003 compared to the same period of 2002. Price increases since year-end have varied across the product range and are broadly in line with prior years. Due to the impairment charge to the Permax intangible in 2002, the corresponding amortisation charged to the income statement will be lower in 2003 compared to 2002. We continue to pursue new products to market in the US although we will need to raise additional capital to fund any product acquisition.

Item 6 Directors, Senior Management and Employees

A. Directors and Senior Management

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

Name	Age	Position
Thomas G. Lynch	46	Chairman and Non-Executive Director
Richard A. B. Stewart	44	Chief Executive Officer and Director
Michael D. Coffee	57	President, Chief Operating Officer and Director
John Groom	64	Non-Executive Director
Anthony Russell-Roberts	59	Non-Executive Director
James C. Gale	53	Non-Executive Director
William Mason	51	Non-Executive Director
Hubert Huckel	72	Non-Executive Director
Ian R. Garland	37	Chief Financial Officer
Donald R. Joseph	49	Executive Vice President, Commercial Development
Jonathan Lamb	35	General Counsel and Company Secretary
Stefan Ohlsson	47	Managing Director Amarin AB
Darren Cunningham	30	Executive Vice President of Strategic Development

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

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

Mr. Michael Coffee, then an employee of Elan Pharmaceuticals North America, was assigned by Elan in January 2001 to serve as our President and Chief Operating Officer. He became a full time employee of our’s in those capacities as of January 1, 2002. Mr. Coffee was elected as a director in 2001. Prior to working for us Mr. Coffee had held the position of President and Chief Operating Officer of Elan Pharmaceuticals North America since August 1998. Formerly, he was President and Chief Operating Officer of Athena Neurosciences, Inc. He joined Athena in 1991 as Vice President of Marketing and Sales. Mr. Coffee is a board member of Salu, Inc.

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

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

Mr. James Gale joined us as a Non-Executive Director on June 16, 2000. Mr. Gale is currently a Managing Director of Sanders Morris Harris and is the current Chief Investment Officer of Corporate Opportunities Fund, L.P. and Corporate Opportunities Fund (Institutional), L.P. Prior to joining Sanders Morris Harris in September 1998, Mr. Gale was head of investment banking for Gruntal & Co., LLC. Mr. Gale received an MBA from the University of Chicago and serves on the board of directors of Latshaw Enterprises Inc., Relm Wireless Corporation Research Technologies, Inc and Catalyst Pharmaceutical Partners, Inc.

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

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

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

Mr. Donald Joseph joined us in July 2001 as Executive Vice President, Commercial Development. Mr. Joseph operates in a similar capacity for Amarin Pharmaceuticals, Inc. Prior to joining us Mr. Joseph served as Senior Vice President, Commercial and Legal Affairs for North America at Elan Pharmaceuticals, Inc. Mr. Joseph joined Athena Neurosciences Inc. in 1994 having previously been a partner in the San Francisco office of Baker & McKenzie, an international law firm, where he specialized in corporate and business law.

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

Dr. Stefan V. Ohlsson was appointed as Managing Director of Amarin AB on August 12, 2002. Dr. Ohlsson is based at Amarin AB's headquarters in Malmö, Sweden. Dr. Ohlsson has extensive experience in the pharmaceutical industry, including development, marketing and project management. His most recent position was with AstraZeneca as a Global Development Director.

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

Mr. Nigel Bell, our previous Chief Financial Officer, resigned effective December 1, 2002, for personal reasons involving his desire to eliminate commuting from London to his residence in Dublin, Ireland. However, Mr. Bell has agreed to continue on a consultancy basis with us until December 2003.

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

Corporate Opportunities Fund, L.P. and Corporate Opportunities Fund (Institutional), L.P. had a contractual right to appoint a designee to our board of directors. This right has now lapsed, as the number of shares held by the funds has fallen below certain required levels. Before such designation rights lapsed, James Gale was appointed as the designee of the funds and presently continues to serve on our board of directors.

In conjunction with our private placement of 6,093,728 Ordinary Shares in January 2003, we agreed to nominate a designee of Essex Woodlands Health Ventures Fund V, LP, one of the investors in the private placement, for a seat on our board of directors at our next annual general meeting of shareholders.

B. Compensation

General

Our directors who serve as officers or employees receive no compensation for their service as members of our board of directors. Directors who are not officers or employees receive £25,000 per annum and such options to acquire Ordinary Shares for their service as non-executive members of the board of directors as the remuneration committee of the board of directors may from time to time determine. Thomas Lynch and John Groom have to date waived their right to non-executive directors' fees. Additionally, Thomas Lynch has to date waived all of his rights with respect to option grants to non-executive directors that were proposed for him.

For the year ended December 31, 2002, all of our directors and senior management as a group received total compensation of £1.51 million. In addition, directors and senior management were issued options to purchase a total of 919,587 Ordinary Shares. See "— Share Ownership" below for the specific terms of the options held by each director and officer.

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

The Amarin Corporation plc 2002 Stock Option Plan

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

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

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

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

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

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

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

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

The plan is governed by the laws of England.

The Ethical Holdings 1997 Company Share Option Plan and the Ethical Holdings 1999 Discretionary Share Option Scheme

The Ethical Holdings 1997 Company Share Option Plan and the Ethical Holdings 1999 Discretionary Share Option Scheme were adopted by us on June 4, 1997 and December 3, 1999, respectively. The terms of these plans are ten years from the date of adoption and no award shall be granted under either plan after this ten-year period.

These plans are administered by the remuneration committee of our board of directors. Options have been issued to full time employees and directors who are eligible persons under the plans. The remuneration committee no longer grants options under these plans with new options only being granted under the Amarin Corporation plc 2002 Stock Option Plan described under "— The Amarin Corporation plc 2002 Stock Option Plan" above.

Option awards under these plans were granted for no cash consideration. The exercise price of options granted under each plan was determined by the remuneration committee, however, each plan provides that the exercise price shall not be less than 100% of the fair market value, as defined under the plan, of an Ordinary Share on the date that the option is granted. The consideration to be paid for the shares under option shall be paid at the time that the shares are issued. The term of each option ends ten years following the date on which it was granted. The remuneration committee may decide from time to time whether options granted under these plans may be exercised in whole or in part.

No option granted under these plans may be exercised until it has vested. The remuneration committee specified the vesting schedule for each option when granted. If no vesting schedule was specified with respect to a particular option, then the vesting schedule set out in the plans applied so that the total number of Ordinary Shares granted under the option shall vest on the third anniversary of the date that the option was granted.

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

If a participant's continuous status as an employee, as defined under the plans, is terminated for cause then his or her options shall expire immediately. If such status is terminated due to injury, disability, pregnancy, retirement or redundancy then his or her options remain exercisable for six months and if such status is terminated due to death then his or her options remain exercisable for twelve months following the date of the participant's death.

The plans are governed by the laws of England.

C. Board Practices

General

Mr. Coffee, an executive director is entitled to receive certain severance benefits on termination of his employment with us, on a change of control or on a relocation of our US headquarters outside a certain radius of our current offices in Mill Valley, San Francisco. These benefits include

- a lump sum severance payment of twelve months' salary, plus an additional month for each year or part year of service, up to a maximum total payment of eighteen months;
- outplacement assistance;
- a prorated bonus payment for that year;
- a continuation of payment of his employee portion of any COBRA benefits; and
- accelerated vesting of unvested stock options held.

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

Our articles of association stipulate that the minimum number of directors shall be two and the maximum number shall be fifteen. We presently have eight directors. Directors may be elected by the shareholders at a general meeting or appointed by the board of directors. If a director is appointed by the board of directors, that director must stand for election at our subsequent annual general meeting. At each

annual general meeting, one-third of our directors must retire and either stand, or not stand, for re-election. In determining which directors shall retire and stand, or not stand, for re-election, first, we include any director who chooses to retire and not face re-election and second, we choose the directors who have served as directors for the longest period of time since their last election.

At the annual general meeting for 2003, Messrs. Huckel, Groom and Gale will retire by rotation, and each is expected to offer himself for re-election. Assuming no directors choose to retire and not stand for re-election at the annual general meetings in 2004 and 2005, we would expect Messrs. Coffee, Mason and Russell-Roberts to retire and stand for re-election at the 2004 annual general meeting and Messrs. Stewart, Lynch and Huckel to retire and stand for re-election at the 2005 annual general meeting. See — “Directors and Senior Management” above for details on when each of our directors joined our board of directors.

Audit Committee

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

The audit committee currently comprises the following directors:

- Mr. James Gale (Chairman);
- Mr. Anthony Russell-Roberts; and
- Dr. William Mason.

Remuneration Committee

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

The remuneration committee currently comprises the following directors:

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

D. Employees

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

Employment activity	12/31/2002	12/31/2001	12/31/2000
Marketing and Administration	58	30	16
Clinical and Regulation	6	7	6
Research and Development	24	29	27
Computing	2	2	2
Laboratory	16	16	14
Total	**106**	**84**	**65**

The average number of employees employed by us by geographical region for the financial year ended December 31, 2002 is set forth below:

Country	Number of Employees
UK	7
Sweden	48
US	51
Total	**106**

E. Share Ownership

The beneficial interests of those persons who were our directors or officers at March 31, 2003, including their spouses and children under eighteen years of age, in our Ordinary Shares are presented in the table below. See also "— Compensation — The Amarin Corporation plc 2002 Stock Option Plan" and "— The Ethical Holdings 1997 Company Share Option Plan and the Ethical Holdings 1999 Discretionary Share Option Scheme."

Director/ Officer	Note	Options Outstanding to Acquire Number of Ordinary Shares	Date of Grant (dd/mm/yy)	Exercise Price per Ordinary Share	Ordinary Shares or ADS Equivalents Beneficially Owned	Percentage of Outstanding Share Capital**
M. D. Coffee	1	200,000	02/07/01	$10.00	*	*
	2	66,000	23/01/02	$17.65		
	2	13,320	19/07/02	$ 3.46		
	2	66,000	06/11/02	$ 3.10		
J. C. Gale	2	15,000	23/01/02	$17.65	*	*
	2	15,000	06/11/02	$ 3.10		
J. Groom	2	15,000	23/01/02	$17.65	*	*
	2	15,000	06/11/02	$ 3.10		
H. E. Huckel	3	10,000	19/02/01	$ 6.12	*	*
	2	15,000	23/01/02	$17.65		
	2	15,000	06/11/02	$ 3.10		
T. G. Lynch	-	0	—	—	*	*
W. Mason	2	15,000	06/11/02	$ 3.10	*	*
A. Russell-Roberts	3	10,000	07/04/00	$ 3.00	*	*
	3	10,000	19/02/01	$ 6.12		
	2	15,000	23/01/02	$17.65		
	2	15,000	06/11/02	$ 3.10		
R. A. B. Stewart	4	350,000	23/11/98	$ 5.00	410,000	2.06%
	2	150,000	23/01/02	$17.65		
	2	150,000	06/11/02	$ 3.10		
D. Cunningham	2	60,000	19/07/02	$ 3.46	*	*
	2	40,000	24/02/03	$ 3.17		
I. R. Garland	2	200,000	03/03/03	$ 2.84	*	*

Director/ Officer	Note	Options Outstanding to Acquire Number of Ordinary Shares	Date of Grant (dd/mm/yy)	Exercise Price per Ordinary Share	Ordinary Shares or ADS Equivalents Beneficially Owned	Percentage of Outstanding Share Capital**
D. R. Joseph	1	100,000	02/07/01	$10.00	*	*
	2	33,000	23/01/02	$17.65		
	2	6,600	19/07/02	$ 3.46		
	2	33,000	06/11/02	$ 3.10		
J. S. Lamb	2	80,000	18/02/02	$13.26	*	*
	2	26,667	06/11/02	$ 3.10		
	2	65,933	24/02/03	$ 3.17		
S. Ohlsson	2	100,000	05/09/02	$ 2.78	*	*

Notes:

(1) These options became exercisable as to one third on each of the date of grant, the first anniversary and the second anniversary of the date of grant and remain exercisable for a period of ten years from the date of grant.

(2) These options are exercisable as to one third on each of the first, second and third anniversaries of the date of grant and remain exercisable for a period ended on the tenth anniversary of the date of grant.

(3) These options are currently exercisable and remain exercisable until ten years from the date of grant.

(4) When granted these options were to become exercisable in tranches upon the price of our Ordinary Shares achieving certain pre-determined levels. By resolution of the board of directors of January 21, 2000, options to acquire 100,000 of these Ordinary Shares became exercisable immediately at an exercise price of US$0.50 per Ordinary Share and remain exercisable until 54 months from the date of grant. On February 9, 2000, our remuneration committee approved the repricing of the remaining options to an exercise price of US$5.00 per Ordinary Share, exercisable immediately and lapsing ten years from the date of grant.

* Less than one percent of our outstanding share capital at March 31, 2002.

** This information is based on 17,931,886 Ordinary Shares outstanding as of March 31, 2003, outstanding warrants to purchase 30,000 Ordinary Shares as of March 31, 2003, which warrants are exercisable on or before June 23, 2003 and outstanding options to purchase 1,920,013 Ordinary Shares, which options are exercisable on or before June 23, 2003. This information does not take into account the warrants to purchase 313,234 Ordinary Shares issued in March 2003 in connection with our January 2003 private placement, which are not exercisable before January 27, 2004.

Item 7 Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth to the best of our knowledge certain information regarding the ownership of our Ordinary Shares at March 31, 2003 by each person who is known to us to be the beneficial owner of more than five percent of our outstanding Ordinary Shares, either directly or by virtue of ownership of ADSs.

Name of Owner (1)	Number of Ordinary Shares or ADS Equivalents Beneficially Owned	Percentage of Outstanding Share Capital (2)
Elan Corporation plc and its subsidiaries	4,653,819	23.41%
Essex Woodlands Health Venture Fund V, LP s	2,012,361	10.12%
Horizon Waves & Co. as nominee for the Smith Barney Fundamental Value Fund (3)	1,779,145	8.95%
Simon G. Kukes (4)	1,248,145	6.28%

Notes:

(1) Unless otherwise noted, the persons referred to above have sole investment power.

(2) This information is based on 17,931,886 Ordinary Shares outstanding as of March 31, 2003, outstanding warrants to purchase 30,000 Ordinary Shares as of March 31, 2003, which warrants are exercisable on or before June 23, 2003 and outstanding options to purchase 1,920,013 Ordinary Shares, which options are exercisable on or before June 23, 2003. This information does not take into account the warrants to purchase 313,234 Ordinary Shares issued in March 2003 in connection with our January 2003 private placement, which are not exercisable before January 27, 2004.

(3) Includes 888,140 ADSs held by Smith Barney Fund Management Inc. and 28,565 ADSs held by Citigroup Global Markets Inc. (formerly known as Salomon Smith Barney Inc.), which are subsidiaries of Citigroup Inc. and therefore Citigroup Inc. may be deemed to be the beneficial owners of these securities. The Smith Barney Fundamental Value Fund is a mutual fund controlled by Citigroup Inc.

(4) Includes 657,995 ADSs of which Simon and Clara Kukes are the registered holders.

During the past three years ended March 31, 2003, Elan's percentage of our outstanding Ordinary Shares has decreased from a high of 42.3% to the current 23.41% as we have issued more shares as the result of:

- two private placements of Ordinary Shares on June 16, 2000 and January 17, 2003;
- issuances of Ordinary Shares related to Ordinary Share option exercises;
- the issuance of 650,797 Ordinary Shares to Laxdale as part of the agreement with Laxdale in November 2000 for the licensing of the US rights of LAX-101 to us; and
- the conversion of 4,129,819 Preference Shares held by Elan into 4,129,819 Ordinary Shares by the conversion of 2,129,819 Preference Shares in March 2002 and 2,000,000 Preference Shares in February 2003.

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

Essex Woodlands Health Ventures Fund V, LP acquired its entire shareholding as part of its participation in the private placement of 6,093,728 Ordinary Shares on January 17, 2003. In conjunction with the private placement, we agreed to nominate a designee of Essex for a seat on our board of directors at our next annual general meeting of shareholders.

Except for the board designee nomination right of Essex discussed above, none of the above shareholders has voting rights that differ from those of our other shareholders.

The total number of ADSs outstanding as of March 31, 2003 was 6,698,920. The ADSs represented approximately 37% of the issued and outstanding Ordinary Shares as of such date. As at March 31, 2003, to the best of our knowledge, US shareholders constituted approximately 30.5% of the holders of our Ordinary Shares and approximately 97% of the beneficial holders of our ADSs.

B. Related Party Transactions

During the year ended December 31, 2002, and subsequent to the year-end, we entered into certain contracts with Elan, which is a significant shareholder. Our directors consider that transactions with Elan have been entered into on an arms length basis. Details of transactions involving Elan are given below.

Acquisition of Rights to Permax

We exercised our purchase option to acquire, and completed the acquisition of, the remaining US rights to Permax from Elan in March 2002. Following the close of the transaction, we replaced Elan as Lilly's exclusive licensee for Permax in the US. We obtained the purchase option as a part of our marketing, sales and distribution agreement with Elan entered into in May 2001.

We made an initial payment of US$47.5 million to Elan (of which $45 million was represented by a loan note) and have to date made further deferred payments totalling US$15 million. Following our private placement and restructuring of obligations to Elan in January 2003, we are required to make a further six quarterly payments of US$2.5 million over the next eighteen months and owe $10 million due on September 30, 2004, followed by $15 million due on September 30, 2005. In addition, we were required to pay royalties to Elan of between 3.0% and 3.5% on all of our US net sales of Permax in 2002 and are required to pay royalties to Elan of 10% on all of our US net sales of Permax thereafter. In addition, we have received contributions from Elan towards the cost of product returns relating to sales made prior to our acquisition of the Permax sales rights. If net sales of Permax in 2003 and 2004 exceed specified dollar amounts, we will be required to pay Elan a percentage of the amount by which net sales exceed such levels. Conversely, if net sales in 2003 and 2004 fall below the specified levels, we will be entitled to credit against future royalties payable to Elan a percentage of the amount by which net sales fall short of such levels. See Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease Strategy — Permax."

Restructuring of Elan Loan

In July 2002 we restructured our US$45 million loan from Elan originally scheduled for repayment in full on September 30, 2002. Under the revised payment schedule, the loan was to be repaid in four instalments of US$2.5 million, US$17.5 million, US$10 million and US$15 million, beginning in the third quarter of 2002. The loan was incurred in 2001 as part of our acquisition of marketing and purchase option rights to Permax. These loan obligations were further restructured in January 2003. See — "Restructuring of Elan Obligations."

Restructuring of Elan Obligations

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

Loan Agreement

We paid $2,459,880 in cash out of our cash reserves to Elan Pharma International Limited as interest accrued on our loan from Elan to January 16, 2003. Our loan agreement with Elan was varied so that the instalments of the loan were rescheduled as follows:

- the $10 million due and payable on September 30, 2003, together with accrued interest, became due and payable on September 30, 2004; and

- the $15 million due and payable on September 30, 2004, together with accrued interest, became due and payable on September 30, 2005.

In accordance with the terms of the loan agreement, on January 16, 2003 we paid $17.5 million to Elan that was previously due on December 31, 2002.

Permax

We paid $8,641,387 to Elan in discharge of the current outstanding balance relating to Permax inventory, royalties and a $2.5 million quarterly instalment of deferred consideration.

The Amended and Restated Distribution and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and us was amended so that the deferred consideration for Permax payable by way of quarterly instalments of $2.5 million was reduced by $7.5 million. See Item 4 “Information on the Company — Business Overview — Our Parkinson’s Disease Strategy — Permax.”

Zelapar

The option agreement dated June 18, 2001 and made between us and Elan Pharma International Limited was amended so that the first sales milestone payable by us to Elan Pharma International Limited became $17.5 million rather than $12.5 million. We also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after December 31, 2002 in respect of any further development costs incurred for Zelapar. One-half of our or Elan Pharma International Limited’s out of pocket costs paid by us under this arrangement will be credited (up to $5 million) against the $17.5 million first milestone payable under the option agreement.

The option agreement was varied so that Elan Pharma International Limited shall be at liberty to reclaim the rights to Zelapar where such rights have been previously transferred to us if we either:

- materially breach the terms of any agreement between us and Elan and we fail to remedy such breach within 90 days of receiving written notice of such breach; or

- become insolvent.

The option agreement was also varied so that we are at liberty to defer $8 million of the $10 million payable by us on closing of the option to a period not later than the later of the exercise of the option and September 30, 2003. In consideration of such deferral, we are obligated to pay $2.25 million to Elan Pharma International Limited upon closing of the option to make a total option payment of $10.25 million rather than $10 million as had previously been the case. Alternatively, we can pay $10 million on closing of the option as had previously been the case. This variation had been sought by us to provide us with more flexibility going forward.

Elan Equity Stake in Amarin

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

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

- converting Preference Shares into Ordinary Shares;

- accepting any offer made to all holders of our Ordinary Shares to acquire all or part of our issued Ordinary Share capital;

- transferring any securities to a subsidiary or holding company of such shareholder; or

- selling Ordinary Shares or ADSs where the purchaser enters into a written agreement confirming its intention to hold such Ordinary Shares for a period ending not earlier than September 30, 2003 and the per share sale price of such Ordinary Shares is not less than 90% of the closing sale price of our ADS's on the Nasdaq National Market for the five trading days immediately prior to the date of such sale.

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

The Carnrick loan may be repaid in cash or by the issuance of additional Ordinary Shares.

Additional Amarin Obligations to Elan

As part of our ongoing asset disposal program and as part of the restructuring of certain of our obligations to Elan in January 2003, we undertook to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell all or substantially all of our primary care portfolio and Amarin AB for upfront cash consideration of a reasonable sum and as expeditiously as is reasonably practicable. We agreed with Elan to apply the net proceeds from such sale or sales as follows:

- $5 million will be payable to Elan, which amount would, if paid, be credited against the first sales milestone for Zelapar which is $17.5 million as referred to above;
- prepayment of remaining deferred payments due under the Permax agreement;
- prepayment of the $6.5 million loan due to Elan Pharmaceuticals, Inc. relating to the Carnrick group of products acquired from Elan Pharmaceuticals, Inc. in September 1999 and due in September 2004;
- prepayment of all sums then due under the $42.5 million loan agreement;
- payment of any additional amounts due Elan and its affiliates; and
- if there is any remainder, applied in our sole discretion.

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

We have also agreed with Elan that if at any time and from time to time prior to our payment in full of the balance of the non-refundable sum of $30 million due Elan for the acquisition of Permax, the $6.5 million due in respect of the Carnrick line of products and the balance of the $45 million loan due Elan, we receive financing relating to the issuance of equity securities, warrants to acquire equity securities or debt convertible into equity securities, we will apply one-half of the net proceeds of such financing toward the payment of such obligations.

Purchase of Manufacturing and Development Services and Other Services

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

Approval of Transactions with Elan

All of the above transactions were approved in accordance with our policy for related party transactions. Our policy in 2002 was to require audit committee review of all transactions involving a potential conflict of interest, followed by the approval of a majority of the directors who do not have a material interest in the transaction.

C. Interests of Experts and Counsel

Not applicable.

Item 8 Financial Information

A. Consolidated Statements and Other Financial Information

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

Legal Proceedings

As a part of our transaction with Elan to receive full license rights to Permax in the US, we assumed the lead role in Orange Book patent litigation brought by Elan in July 2001 against Ivax Corporation, one of the filers of an ANDA seeking approval of a generic pergolide product. Under the Hatch-Waxman Act, when an NDA or patent holder brings a timely patent infringement lawsuit following receipt of notice from an ANDA filer alleging that one or more patents listed in the FDA's Orange Book for the NDA is invalid, not infringed, or unenforceable (such as the suit against Ivax), a thirty-month stay automatically applies against FDA approval of the ANDA until the case is resolved, the stay expires, or the court lifts the stay, whichever occurs first. The automatic stay in the Ivax case extends to September 2003, unless the case is resolved earlier or the court takes action to modify the stay. At this time Ivax has not, to our knowledge, received tentative approval of any pergolide product (that is, an approval subject only to resolution of the patent lawsuit), and if and when it does, it may be subject to the 180-day market exclusivity in favour of Teva Pharmaceuticals Industries Ltd., as described more fully above in Item 3 "Key Information — Risk Factors — Our products may not be able to compete effectively against those of our competitors" and Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease Strategy — Permax." It is not known what if any action Ivax will take in the pending patent litigation, or with respect to Teva or its ANDA generally. If approved and marketed, the Ivax generic product would likely have a further impact on the revenues we may receive with respect to sales of Permax.

See Item 3 "Key Information — Risk Factors — We are dependent on patents, proprietary rights and confidentiality" for a discussion of the potential risk of a suit against us in respect of the filing of the ANDA for a generic version of Glipizide XL by Watson Pharmaceuticals, Inc.

We are not presently the subject of any litigation alleging product liability. We have, however, recently received two notices of claims of personal injury and/or death from valvular heart disease allegedly associated with Permax. See Item 4 "Information on the Company — Business Overview — Our Parkinson's Disease Strategy — Permax." We cannot predict whether litigation will follow, or the outcome of any such litigation. We intend to take all appropriate action to protect our interests with respect to these claims.

We are not a party to any other legal or arbitration proceedings that may have, or have had in the recent past, significant effects on our financial position or profitability. No governmental proceedings are pending or, to our knowledge, contemplated against us. We are not a party to any material proceeding in which any director, member of senior management or affiliate of ours is either a party adverse to us or our subsidiaries or has a material interest adverse to us or our subsidiaries.

Policy on Dividend Distributions

We have never paid dividends on the Ordinary Shares and do not anticipate paying any cash dividends on the Ordinary Shares in the foreseeable future. Under English law, any payment of dividends would be subject to the UK Companies Act 1985, which requires that all dividends must be approved by our board of directors and, in some cases, our shareholders, and may only be paid from our distributable profits and only to the extent we have retained earnings, in each case determined on an unconsolidated basis. See Item 10 "Additional Information — Memorandum and Articles of Association — Description of Ordinary Shares — Dividends."

B. Significant Changes

Except as otherwise disclosed in this annual report, there has been no material change in our financial position since December 31, 2002.

Item 9 The Offer and Listing

A. Offer and Listing Details

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

	US$ High	US$ Low
Fiscal Year Ended		
August 31, 1998	30.00	1.00
December 31,1998 (four months ended)	8.75	1.00
December 31, 1999	12.75	1.00
December 31, 2000	8.50	3.75
December 31, 2001	27.97	5.00
December 31, 2002	21.00	2.76
Fiscal Year Ended December 31, 2001		
First Quarter	7.97	5.00
Second Quarter	10.46	6.50
Third Quarter	23.45	9.98
Fourth Quarter	27.97	15.85
Fiscal Year Ended December 31, 2002		
First Quarter	21.00	12.18
Second Quarter	13.67	7.30
Third Quarter	8.55	2.76
Fourth Quarter	5.80	2.89
Quarter Ended March 31, 2003	4.13	2.46
Six Months Ended March 31, 2003		
October 2002	3.95	3.00
November 2002	3.59	2.89
December 2002	5.80	3.00
January 2003	4.13	3.52
February 2003	3.50	2.84
March 2003	2.71	2.46

On April 21, 2003, the closing price of our ADSs as reported on the Nasdaq National Market was US$2.91 per ADS.

B. Plan of Distribution

Not applicable.

C. Markets

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

Item 10 Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Objects and Purposes

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

Directors

Directors' Interests

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

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

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

subsidiaries which does not give him, as a director, any privilege or advantage not accorded to the employees to whom the scheme or fund relates;

- an arrangement for the benefit of our employees or those of any of our subsidiaries which does not give him any privilege or advantage not generally available to the employees to whom the arrangement relates; and

- insurance which we propose to maintain or purchase for the benefit of directors or for the benefit of persons including directors.

Compensation of Directors

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

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

Borrowing Powers of Directors

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

Retirement of Directors

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

Description of Ordinary Shares

Our authorized share capital is £55,000,000 divided into 50,000,000 Ordinary Shares and 5,000,000 Preference Shares. In the following summary, a “shareholder” is the person registered in our register of members as the holder of the relevant securities. For those Ordinary Shares that have been deposited in our American Depositary Receipt facility pursuant to our deposit agreement with Citibank N.A., Citibank or its nominee is deemed the shareholder.

Dividends

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

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to us. In addition, the payment by the board of directors of any unclaimed

dividend, interest or other sum payable on or in respect of an Ordinary Share or a Preference Share into a separate account shall not constitute us as a trustee in respect thereof.

Rights in a Liquidation

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

Voting Rights

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

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

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

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

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

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

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

Capital Calls

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

Preference Shares

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

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

Pre-emptive Rights

English law provides that shareholders have pre-emptive rights to subscribe to any issuances of equity securities that are or will be paid wholly in cash. These rights may be waived by a special resolution of the shareholders, either generally or in specific instances, for a period not exceeding five years. This differs from US law, under which shareholders generally do not have pre-emptive rights unless specifically granted in the certificate of incorporation or otherwise. Pursuant to resolutions passed at our annual general meeting on July 19, 2002, our directors are duly authorised during the period ending on July 18, 2007 to exercise all of our powers to allot our securities and to make any offer or agreement which would or might require such securities to be allotted after that date. The aggregate nominal amount of the relevant securities that may be allotted under the authority cannot exceed £40,161,841 (equivalent to 40,161,841 Ordinary Shares). Under these resolutions we are empowered to allot such Ordinary Shares as if English statutory pre-emption rights did not apply to such issuance and, therefore, without first offering such Ordinary Shares to our existing shareholders.

Redemption Provisions

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

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

Variation of Rights

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

Meetings of Shareholders

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

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

Limitations on Ownership

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

Change of Control

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

If an offer is made to acquire more than half of our issued Ordinary Share capital and such offer has been recommended by the board, we will use reasonable endeavours to procure that a like offer is extended to the holders of the Preference Shares and that such offer remains open for not less than the acceptance period open to the holders of Ordinary Shares to enable the holders of Preference Shares to convert any or all of their Preference Shares and accept the offer if they wish to do so.

Disclosure of Interests

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

In addition, Section 212 of the UK Companies Act of 1985 gives us the authority to require certain disclosure regarding an equity interest if we know, or have reasonable cause to believe, that the shareholder is interested or has within the previous three years been interested in our share capital. Failure to supply the information required may lead to disenfranchisement under our articles of association of the relevant shares and a prohibition on their transfer and on dividend or other payments. Under the deposit agreement with Citibank pursuant to which the ADRs have been issued, a failure to provide certain information pursuant to a similar request may result in the forfeiture by the holder of the ADRs of rights to direct the voting of the Ordinary Shares underlying the ADSs and to exercise certain other rights with respect to the Ordinary Shares.

The foregoing provisions differ from US law, which typically does not impose disclosure requirements on shareholders.

C. Material Contracts

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

- Subscription Agreement and Registration Rights Agreement, dated as of January 27, 2003, by and among us and the investors named therein. On January 27, 2003 we entered into a number of subscription and registration rights agreements relating to a private placement of 6,093,728 Ordinary Shares with a group of accredited investors and management, raising gross proceeds to us of approximately $21.2 million.

- In connection with the private placement, we signed an agreement letter, dated October 21, 2002, with Security Research Associates, Inc. Pursuant to this agreement, we appointed SRA as financial advisor and non-exclusive placement agent for the private placement, and agreed to pay to SRA commissions equal to 7% of the gross proceeds received from investors introduced by SRA to us plus five year warrants to acquire a certain number of our Ordinary Shares. On March 19, 2003, we entered into Warrant Agreements with designees of SRA to acquire a total of 313,234 Ordinary Shares at an exercise price of $3.4785 per Ordinary Share. The warrants are not exercisable before January 27, 2004 and expire no later than January 26, 2008.

- Exclusive US marketing and distribution agreement, dated May 17, 2001 (as restated and amended on September 28, 2001 and further amended in January 2003) between Elan Pharmaceuticals, Inc. and us. Pursuant to this agreement we acquired the rights to Permax in the US for a period up to May 16, 2002 together with an option to acquire Elan Pharmaceuticals, Inc.'s remaining rights to Permax in the US, in return for making specified option payments. Elan Pharmaceuticals, Inc. was the exclusive licensee from Lilly of the US rights to Permax. This agreement was amended by Elan Pharmaceuticals, Inc. and us on January 27, 2003. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Obligations — Permax."

- Amended and Restated License and Supply Agreement, dated March 29, 2002 between Eli Lilly and Company and us. Pursuant to this agreement, Lilly has agreed to grant to us an exclusive paid-up license to market and distribute Permax in the US. We are obligated to purchase from Lilly all of our Permax requirements at a price specified in the agreement. See Item 7 — Major Shareholders and Related Party Transactions — Related Party Transactions."

- Exclusive option agreement dated June 18, 2001 between Elan and us. Pursuant to this agreement we entered into an option agreement with Elan to acquire the US rights to Zelapar. The option payments under this agreement were amended by a deed of variation, dated January 27, 2003, between Elan and us. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Obligations — Zelapar."

- Loan Agreement dated September 28, 2001 between Elan Pharma International Limited and us. Pursuant to this Agreement Elan Pharma International Limited issued a loan in the amount of US$45 million to us, bearing interest at a rate of LIBOR plus 2 percent per annum. This agreement was amended by Elan Pharma International Limited and us on July 19, 2002, December 23, 2002 and January 27, 2003. See Item 7 "Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Loan."

- Master Agreement, dated January 27, 2003, between us and certain members of the Elan group of companies. The parties agreed to amend the Permax option agreement, the Zelapar option agreement and the loan agreement. We have also agreed to apply the proceeds resulting from the private placement in the manner set out in this agreement and to use our commercial best efforts (subject to the fiduciary obligations of our board of directors) to sell certain of our assets and to apply the net

proceeds from such sales in the manner set out in this agreement. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

- In connection with the master agreement, we, Elan International Services Ltd. and Monksland Holdings BV entered into an Agreement, dated January 27, 2003, relating to the conversion of Preference Shares and certain restrictions on dealing. The same parties also entered into Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, amending the Registration Rights Agreement, dated October 21, 1998 between us and Monksland. Pursuant to these agreements, among other things, Elan converted 2,000,000 Preference Shares into 2,000,000 Ordinary Shares. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

- Stock and Intellectual Property Right Purchase Agreement dated November 30, 2001 by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and us. Pursuant to this agreement, we sold all of our shares of Amarin Technologies S.A., a majority-owned subsidiary, together with a patent held by Amarin Technologies, S.A., to a company formed by Amarin Technologies S.A.’s local management team. The total consideration for the shares and patent was US$262,000. At the same time, we also entered into a Stock Purchase Agreement dated November 30, 2001 with Abriway International S.A. and Beta Pharmaceuticals Corporation. Pursuant to this agreement we sold all of our shares of Beta Pharmaceuticals Corporation, a wholly-owned subsidiary, to the same local management team for nominal consideration. Beta also assumed approximately US$188,000 of indebtedness from us pursuant to a Novation Agreement dated November 30, 2001 by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and us.

- In March 2003, we entered into an agreement with F. Hoffmann — La Roche Ltd. and Hoffmann — La Roche Inc. to acquire worldwide rights to a pharmaceutical product containing tolcapone for the treatment of Parkinson’s disease. Consummating that acquisition is contingent on a number of conditions, including, among others, our receiving results of a recently completed clinical study and having sufficient funds on-hand to complete the acquisition. If consummated, we would be required to make an upfront payment of US$12.5 million and subsequent milestone payments contingent upon reaching certain net sales milestones in the US and other territories. The agreement includes a supply agreement whereby product would be supplied by the divesting company for period of years until an alternate supplier is located.

D. Exchange Controls

There are currently no English laws, decrees or regulations that restrict the export or import of capital, including, but not limited to foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-UK resident holders of Ordinary Shares, Preference Shares or ADSs.

E. Taxation

UK Tax Matters

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

- an individual citizen or resident of the US;

- a corporation organized under the laws of the US or any state thereof or the District of Columbia; or

- otherwise subject to US federal income tax on a net income basis in respect of the Ordinary Shares or ADSs.

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

- upon current UK tax law and UK Inland Revenue practice and which may be subject to change, perhaps with retroactive effect; and

- in part upon representations of Citibank, N.A., as depositary, and assumes that each obligation provided for in or otherwise contemplated by the deposit agreement between us and Citibank and any related agreement will be performed in accordance with its respective terms.

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

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

- you are resident or, in the case of an individual, ordinarily resident in the UK for UK tax purposes;

- your holding of ADSs or shares is effectively connected with a permanent establishment in the UK through which you carry on business activities or, in the case of an individual who performs independent personal services, with a fixed base situated therein; or

- you are a corporation which, alone or together with one or more associated corporations, controls, directly or indirectly, 10% or more of our issued voting share capital.

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

Taxation of Dividends and Distributions

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

UK Taxation of Capital Gains

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

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

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

UK Inheritance Tax

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

UK Stamp Duty and Stamp Duty Reserve Tax

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

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

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

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

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

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

Certain US Federal Income Tax Considerations

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

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

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

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

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

This discussion does not address all aspects of US federal income taxation that may be relevant to a particular US Holder based on such Holder's individual circumstances. In particular, this discussion does not address the potential application of the alternative minimum tax nor does it address the tax treatment of shareholders, partners or beneficiaries of a holder of Ordinary Shares. In addition, this discussion does not address the US federal income tax consequences to US Holders that are subject to special treatment, including broker-dealers, including dealers in securities or currencies; insurance companies; taxpayers that

have elected mark-to-market accounting; tax-exempt organizations; financial institutions or "financial services entities"; taxpayers who hold Ordinary Shares as part of a straddle, hedge or conversion transaction; US Holders owning directly, indirectly or by attribution at least 10% of our voting power; taxpayers whose functional currency is not the US dollar; certain expatriates or former long-term residents of the US; and taxpayers who acquired their Ordinary Shares as compensation.

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

Taxation of Dividends

General

Subject to the passive foreign investment company rules discussed below, the amount of any distributions (including, provided certain elections are made, as discussed in "— UK Withholding Tax/Foreign Tax Credits" below, the full tax credit amount deemed received) paid out of current and/or accumulated earnings and profits, as determined under US tax principles, will be included in the gross income of a US Holder on the day such distributions are actually or constructively received and will be characterized as ordinary income for US federal income tax purposes. To the extent that a dividend distribution exceeds our current and accumulated earnings and profits, it will be treated as a non-taxable return of capital to the extent of a US Holder's adjusted basis in the Ordinary Shares, and thereafter as capital gain. We do not currently maintain calculations of our earnings and profits under US tax principles. Dividends paid by us to corporate US Holders will not be eligible for the dividends-received deduction that might otherwise be available if such dividends were paid by a US corporation.

Foreign Currency Considerations

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

UK Withholding Tax/Foreign Tax Credits

A US Holder that elects to receive benefits under the old convention is, in principle, entitled to claim a refund from the UK Inland Revenue for (i) the amount of the tax credit that a UK resident individual would be entitled to receive with respect to a dividend payment, which we refer to as the "Tax Credit Amount", reduced by (ii) the amount of UK withholding tax, which we refer to as "UK Notional Withholding Tax", imposed on such dividend payment under the old convention. The Tax Credit Amount will equal that amount of UK Notional Withholding Tax imposed on dividends paid by us, therefore, no such refund is available. However, a US Holder may be entitled to claim a foreign tax credit for the amount of UK Notional Withholding Tax associated with a dividend paid by us by filing a Form 8833 in accordance with US Revenue Procedure 2000-13. US Holders that file Form 8833 will be treated as receiving an additional dividend from us equal to the Tax Credit Amount (unreduced by the UK Notional Withholding Tax), which additional dividend must be included in the US Holder's gross income, and will be treated as having paid the applicable UK Notional Withholding Tax due under the old convention. For purposes of calculating the foreign tax credit, dividends paid on the Ordinary Shares will be treated as non-US source income and generally will constitute "passive income" or, in the case of certain US Holders, "financial services income."

In lieu of claiming a foreign tax credit, a US Holder may be eligible to claim a deduction for foreign taxes paid in a taxable year. However, a deduction generally does not reduce a US Holder's US federal income tax liability on a dollar-for-dollar basis like a tax credit.

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

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

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

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

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

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

PFIC Rules

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

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

If we were a PFIC in any year during which a US Holder owned Ordinary Shares, the US Holder would generally be subject to special rules (regardless of whether we continued to be a PFIC) with respect to (i) any "excess distribution" (generally, distributions received by the US Holder in a taxable year in excess of 125% of the average annual distributions received by such Holder in the three preceding taxable years, or, if shorter,

such Holder's holding period) and (ii) any gain realized on the sale or other disposition of Ordinary Shares. Under these rules:

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

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

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

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

A US Holder of an interest in a PFIC can sometimes avoid the interest charge described above by making a "qualified electing fund" or "QEF" election to be taxed currently on its share of the PFIC's undistributed ordinary income. Such election must be based on information concerning the PFIC's earnings provided by the relevant PFIC to investors on an annual basis. We will make such information available to US Holders upon request, and consequently US Holders will be able to make a QEF election, if we determine that we are a PFIC in any taxable year.

US Holders should consult their tax advisers regarding the US federal income tax considerations discussed above and the desirability of making a mark-to market election.

US Backup Withholding and Information Reporting Requirements

Dividend payments made with respect to the Ordinary Shares, and proceeds received in connection with the sale or exchange of Ordinary Shares may be subject to information reporting to the IRS and backup withholding (currently imposed at a rate of 30%). Backup withholding will not apply, however, if a US Holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates such fact or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable backup withholding rules. Persons required to establish their exempt status generally must provide certification on IRS Form W-9 or Form W-8BEN (as applicable). Amounts held as backup withholding may be credited against a holder's US federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

F. Dividends and Paying Agents

Not applicable.

G. Statement of Experts

Not applicable.

H. Documents on Display

We file reports, including this annual report on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. Any materials filed with the SEC may be inspected without charge and copied at prescribed rates at its Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20459. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. This annual report and subsequent public filings with the SEC will also be available on the website maintained by the SEC at http://www.sec.gov.

We provide Citibank N.A., as depositary under the deposit agreement between us, the depositary and registered holders of the American Depositary Receipts evidencing ADSs, with annual reports, including a review of operations, and annual audited consolidated financial statements prepared in conformity with UK GAAP, together with a reconciliation of net income/(loss) and total shareholders' equity to US GAAP. Upon receipt of these reports, the depositary is obligated to promptly mail them to all record holders of ADSs. We also furnish to the depositary all notices of meetings of holders of Ordinary Shares and other reports and communications that are made generally available to holders of Ordinary Shares. The depositary undertakes to mail to all holders of ADSs a notice containing the information contained in any notice of a shareholders' meeting received by the depositary, or a summary of such information. The depositary also undertakes to make available to all holders of ADSs such notices and all other reports and communications received by the depositary in the same manner as we make them available to holders of Ordinary Shares.

Item 11 Quantitative and Qualitative Disclosures About Market Risk

General

Due to our global operations and our existing liabilities, we are exposed to various market risks (i.e. the risk of loss arising from adverse changes in market rates or prices). Our principal market risks are:

- foreign exchange rates — generating translation and transaction gains and losses; and
- interest rate risks related to financial and other liabilities.

We do not enter into any market risk sensitive instruments for trading purposes. We have not entered into any hedging or derivative instruments in respect of these exposures.

Foreign Exchange Rate Risks

We have operations in the UK, the US and Sweden and consequently have transactions derived in pounds sterling, US dollars and Swedish kronor. We do not engage in hedging activities to restrict the risks of exchange rate fluctuations. As a result, changes in the relation of US dollar and Swedish kronor to pound sterling will affect our revenues and operating margins and may also affect the book value of our assets and the amount of shareholders' equity.

Following the exercise of our option to acquire the remaining US rights to Permax during 2002, we reassessed our functional currency and changed it to US dollars with effect to January 1, 2003 (being the beginning of the first fiscal year following the change) as the majority of our transactions, assets and liabilities are based in US dollars.

Interest Rate Risk

We finance our operations through a mixture of equity issuances, loans and deferred consideration. Our principal long-term loan is at a variable rate of interest and consequently follows the market rates as they fluctuate. Two other long-term liabilities are interest free and their fair market values fluctuate as the market interest rates vary. We do not hedge any of our interest rate risks. The following table summarises the exposures to interest rate risks as at December 31, 2002.

	Expected Maturity Date							
Liabilities	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total**	**Fair Value (2)**
				(All figures in US$ millions)				
US$ Long term debt (1):								
Variable Rate of LIBOR + 2%	17.5	10.0	15.0	—	—	—	42.5	38.9
Interest free	—	6.5	—	—	—	—	6.5	5.8
US$ Deferred consideration (1):								
Interest free	12.5	7.5	—	—	—	—	20.0	18.8

Notes:

(1) In January 2003, we renegotiated the terms of the loans and deferred consideration liability. The above table reflects the updated repayment dates which include reducing the deferred consideration by $7.5 million due in 2004 and 2005, and delaying the repayment of the variable rate loan instalments each by one year. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions.”

(2) Fair value calculated using US Dollar LIBOR + 4%, being 5.66%.

Item 12 Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13 Defaults, Dividend Arrearages and Delinquencies

During the year 2002, we were in default under the terms of a loan with Elan in respect of the payment of interest due upon the principal sum under the associated loan agreement. In January 2003, we paid Elan $2,459,880 in cash out of our reserves as interest accrued to that date. See Item 7 “Major Shareholders and Related Party Transactions — Related Party Transactions — Restructuring of Elan Loan” and “— Restructuring of Elan Obligations.”

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

None.

Item 15 Controls and Procedures

As of a date within 90 days prior to the date of this annual report on Form 20-F, we conducted an evaluation (under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer), pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended, of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls

and procedures. Based on this evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that as of the evaluation date such disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

Since the evaluation date there have not been any significant changes in the internal controls or in other factors that could significantly affect the internal controls. Therefore, no corrective actions have been taken.

Item 16 [Reserved]

PART III

Item 17 Financial Statements

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

Item 18 Financial Statements

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

Item 19 Exhibits

Exhibits filed as part of this annual report:

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

2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein* (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company*
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company*
4.3	License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
4.5	Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company*
4.6	Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
4.7	Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company*†
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company*
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and the Company (7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
4.14	Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited*
4.15	Deed of Variation No. 2, dated December 23, 2002, between the Company and Elan Pharma International Limited*
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited*
4.17	The Company 2002 Stock Option Plan (9)
4.18	Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.*
4.19	Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.*
4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company*
4.21	Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.* (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann — La Roche Ltd., Hoffmann — La Roche Inc. and the Company*†
8.1	Subsidiaries of the Company*

10.1	Certification of Richard A. B. Stewart pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
10.2	Certification of Ian R. Garland pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith

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

(1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.

(2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.

(3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.

(4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.

(5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.

(6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.

(7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.

(8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.

(9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.

SIGNATURES

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

AMARIN CORPORATION PLC

By: /s/ RICHARD A. B. STEWART

Richard A. B. Stewart
Chief Executive Officer

April 24, 2003

CERTIFICATIONS

I, Richard A. B. Stewart, certify that:

1. I have reviewed this annual report on Form 20-F of Amarin Corporation plc;

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   (c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

/s/ RICHARD A. B. STEWART

Richard A. B. Stewart
Chief Executive Officer

I, Ian R. Garland, certify that:

1. I have reviewed this annual report on Form 20-F of Amarin Corporation plc;

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   (c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date:

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

/s/ IAN R. GARLAND

Ian R. Garland
Chief Financial Officer

Report of independent accountants

To the Board of Directors and Shareholders of

Amarin Corporation plc

In our opinion, the accompanying balance sheets and the related consolidated profit and loss accounts, statements of total recognised gains and losses, reconciliations of movements in shareholders' funds and cashflow statements present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2002, December 31, 2001 and December 31, 2000, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles which, as described in Note 2, are generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and in the United Kingdom, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles generally accepted in the United Kingdom vary in certain important respects from accounting principles generally accepted in the United States of America. The application of the latter would have affected the determination of consolidated net income for each of the three years in the period ended December 31, 2002 and the determination of consolidated shareholders' equity at December 31, 2002, 2001 and 2000 to the extent summarized in Note 39 to the consolidated financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Cambridge, England

24 April 2003

Consolidated profit and loss account for the year ended 31 December

	Note	2002	2001	2000
		£'000	£'000	£'000
Turnover				
Continuing operations		40,649	36,927	10,526
Discontinued operations		—	2,225	7,013
	3	40,649	39,152	17,539
Cost of sales				
Continuing operations	4	(18,696)	(14,734)	(3,089)
Discontinued operations		—	(1,004)	(1,403)
		(18,696)	(15,738)	(4,492)
Gross profit				
Continuing operations		21,953	22,193	7,437
Discontinued operations		—	1,221	5,610
		21,953	23,414	13,047
Operating expenses				
Continuing operations		(42,221)	(25,680)	(9,206)
Discontinued operations		—	(763)	(914)
	5	(42,221)	(26,443)	(10,120)
Operating (loss)/profit				
Continuing operations		(20,268)	(3,487)	(1,769)
Discontinued operations		—	458	4,696
		(20,268)	(3,029)	2,927
Exceptional income/(costs) of restructuring				
Discontinued operations	11	669	735	(2,108)
(Loss)/profit on disposal of operations				
Discontinued operations	8	—	(893)	759
(Loss)/profit on ordinary activities before interest				
Continuing operations		(20,268)	(3,487)	(1,769)
Discontinued operations		669	300	3,347
		(19,599)	(3,187)	1,578
Interest receivable and similar income	9	242	547	608
Interest payable and similar charges	10	(1,459)	(296)	(257)
(Loss)/profit on ordinary activities before taxation	3,12	(20,816)	(2,936)	1,929
Tax on (loss)/profit on ordinary activities	13	(2,196)	(333)	(229)
(Loss)/profit for the financial year		(23,012)	(3,269)	1,700
Dividends — non-equity	16	(76)	(124)	(124)
Retained (loss)/profit for the financial year	29	(23,088)	(3,393)	1,576
		Pence	Pence *Restated	Pence *Restated
Basic (loss)/earnings per ordinary share	15	(247.5)	(45.9)	43.0
Fully diluted (loss)/earnings per ordinary share	15	(247.5)	(45.9)	20.2

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

* During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

Statement of group total recognised gains and losses

	2002	2001	2000
	£'000	£'000	£'000
(Loss)/profit for the year	(23,012)	(3,269)	1,700
Transfer of warrant proceeds reserve	—	—	705
Exchange adjustments offset in reserves	(1,011)	(23)	14
	(24,023)	(3,292)	2,419

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

	2002	2001	2000
	£'000	£'000	£'000
(Loss)/profit for the financial year	(23,012)	(3,269)	1,700
Dividends — non equity	(76)	(124)	(124)
New share capital issued	123	2,942	10,659
Exchange adjustments offset in reserves	(1,011)	(23)	14
Share issuance costs	(252)	—	—
Share option compensation charge	—	—	1,058
Net change in shareholders' (deficit)/funds	(24,228)	(474)	13,307
Opening shareholders' funds	20,372	20,846	7,539
Closing shareholders' (deficit)/funds	(3,856)	20,372	20,846

Balance sheets at 31 December

	Note	Group			Company		
		2002	2001	2000	2002	2001	2000
		£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	17	29,477	32,378	15,119	29,387	32,363	14,027
Tangible assets	18	1,482	1,530	960	255	312	114
Investments	19	—	—	—	1,031	1,031	1,031
		30,959	33,908	16,079	30,673	33,706	15,172
Current assets							
Stock	20	4,799	2,438	1,878	4,759	2,423	1,868
Debtors	21	9,694	5,408	3,133	21,011	22,177	4,907
Investments	22	—	44	10,064	—	44	10,064
Cash at bank and in hand		15,072	20,688	1,348	12,044	19,405	1,055
		29,565	28,578	16,423	37,814	44,049	17,894
Creditors: amounts falling due within one year	23	41,557	36,902	3,037	43,414	52,885	4,468
Net current (liabilities)/assets		(11,992)	(8,324)	13,386	(5,600)	(8,836)	13,426
Total assets less current liabilities		18,967	25,584	29,465	25,073	24,870	28,598
Creditors: amounts falling due after more than one year	24	22,792	4,466	6,458	28,884	4,466	6,266
Provisions for liabilities and charges	25	31	746	2,161	31	746	2,161
Net (liabilities)/assets		(3,856)	20,372	20,846	(3,842)	19,658	20,171
Capital and reserves							
Called up share capital	27	11,838	11,804	10,944	11,838	11,804	10,944
Share premium account	29	37,981	38,144	36,062	36,288	36,451	34,369
Merger reserve	29	(1,027)	(1,027)	(1,027)	—	—	—
Profit and loss account	29	(52,648)	(28,549)	(25,133)	(51,968)	(28,597)	(25,142)
Total shareholders' (deficit)/funds		(3,856)	20,372	20,846	(3,842)	19,658	20,171
Analysis of shareholders' (deficit)/funds							
Equity		(10,062)	7,560	8,034	(10,048)	6,846	7,359
Non-equity		6,206	12,812	12,812	6,206	12,812	12,812
		(3,856)	20,372	20,846	(3,842)	19,658	20,171

Consolidated cash flow statement

for the year ended 31 December

	Note	2002	2001	2000
		£'000	£'000	£'000
Net cash inflow from operating activities		3,811	11,670	3,531
Returns on investment and servicing of finance				
Dividends paid on non-equity shares		—	—	(124)
Interest received		242	526	454
Interest paid on loans and overdrafts		(52)	(287)	(47)
Interest paid on finance leases		(3)	(9)	(15)
Other interest paid		—	—	(8)
Net cash inflow from returns on investments and servicing of finance		187	230	260
Taxation				
Corporation tax paid		(529)	(284)	(30)
Capital expenditure and financial investment				
Purchase of intangible fixed assets		(6,776)	(32,385)	(3,887)
Purchase of tangible fixed assets		(444)	(1,027)	(457)
Proceeds on sale of tangible fixed assets		102	7	68
Net cash outflow from capital expenditure and financial investment		(7,118)	(33,405)	(4,276)
Acquisitions and disposals				
Cash received on disposal of South American transdermal business		—	7	—
Cash balance eliminated on disposal of South American transdermal business		—	(98)	—
Net cash acquired with return of transdermal contracts		—	—	4,635
Cash (outflow)/inflow before management of liquid resources and financing		(3,649)	(21,880)	4,120
Management of liquid resources				
Decrease/(increase) in short term deposits with banks		—	10,020	(10,020)
Proceeds on sale of current asset investments		—	—	242
Financing				
Issue of ordinary share capital	27	123	2,746	6,382
Expenses of issue of ordinary share capital		(252)	(223)	—
New bank and other loans		—	30,919	—
Restructuring costs paid		—	(704)	—
Repayment of principal on bank and other loans	34	(1,600)	(1,493)	(5)
Repayment of principal under finance leases	34	(120)	(163)	(92)
Net cash (outflow)/inflow from financing		(1,849)	31,082	6,285
(Decrease)/increase in cash	33	(5,498)	19,222	627

Reconciliation of operating loss to net cash inflow from operating activities

	2002	2001	2000
	£'000	£'000	£'000
Continuing operations			
Operating loss from continuing operations	(20,268)	(3,487)	(1,769)
Amounts written off investments	—	—	(25)
Depreciation on tangible fixed assets	538	394	439
Amortisation of intangible fixed assets	4,609	14,177	1,181
Impairment of intangible fixed assets	24,090	—	—
(Gain)/loss on translation of foreign currency balances	(6,300)	112	—
Loss/(gain) on sale of tangible fixed assets	7	9	(3)
(Increase)/decrease in stocks	(2,361)	(612)	338
(Increase)/decrease in trade debtors	(4,300)	(2,386)	2,450
Decrease/(increase) in other debtors	410	(2,236)	69
(Increase) in prepayments and accrued income	(236)	(221)	(31)
(Decrease)/increase in trade creditors	(168)	1,282	(891)
Increase/(decrease) in other creditors	3,236	1,974	(331)
Increase/(decrease) in other taxation and social security	10	(248)	4
Increase/(decrease) in accruals and deferred income	4,590	468	(1,554)
(Decrease)/increase in provisions	(46)	24	53
Share option compensation charge	—	—	1,058
Net cash inflow from continuing operating activities	3,811	9,250	988
Discontinued operations			
Operating profit from discontinued operations	—	458	4,696
Decrease/(increase) in stocks	—	52	(52)
(Increase) in trade debtors	—	(192)	(287)
Decrease/(increase) in other debtors	—	2,480	(229)
Increase/(decrease) in trade creditors	—	39	(370)
(Decrease) in other creditors	—	(417)	(1,215)
Net cash inflow from discontinued operating activities	—	2,420	2,543
Total net cash inflow from operating activities	3,811	11,670	3,531

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002

1 Basis of preparation

The Group has focused its efforts on the establishment of a leading marketing and distribution company focused on neurology and pain management. In implementing this strategy, the Group has acquired US rights to products currently marketed and products presently in development. These acquisitions have been financed by the issue of securities, the sale of assets and loans and deferred payment terms from a related party, Elan Pharma International Limited ("EPIL").

The Directors have prepared cash flow projections, which reflect the fund raising in January 2003 (see note 37), for the Group through to 30 April 2004 that are based on management's current best estimates of future sales and take into consideration recent trends in performance since the end of the year. Based on these sales assumptions, the cash flow projections show adequate cash resources to fund the Group's existing commercial activities and to meet its Permax short-term deferred payment obligations. These projections show a need to increase the level of cash resources to fund the acquisition and launch of new products such as Zelapar.

The Directors aim to increase the level of cash resources through a combination of the sale of non-core assets, external financing, reductions in costs and re-negotiation of terms of existing loan and deferred payment obligations. Under an agreement with EPIL, cash generated from the sale of non-core assets and external financing must be utilized in repayment of certain amounts due to EPIL. This includes amounts currently not falling due in the period to 30 April 2004.

The extent to which the Directors are able to sell non-core assets, raise external finance and/or re-negotiate terms with EPIL is largely unknown in terms of both timing and amount raised. Management is actively monitoring trends in sales and trading performance and will take cost reduction and or strategic actions to ensure that the business infrastructure remains in line with the level of sales generated.

Based on current sales expectations, the Directors believe that there are adequate funds to finance the Group's current operations and there is a reasonable prospect of being able to secure sufficient additional funds from a combination of actions to fund the acquisition and launch of products currently in development. Consequently, the Directors have prepared these financial statements on the going concern basis.

2 Principal accounting policies

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

Basis of accounting

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

Adoption of FRS 19 "Deferred tax"

FRS 19, "Deferred tax" has been adopted in the year, but its implementation has had no impact on the amounts included in the profit and loss account and balance sheets. The presentational requirements of FRS 19 for the current and prior year are disclosed in notes 13 and 25.

Basis of consolidation

The consolidated financial statements include the Company and all its subsidiary undertakings. The turnover and results of subsidiary companies are included in the financial statements from the date of acquisition, except where merger accounting principles are applied, in which case the turnover and results of the Company being merged are included for a full year.

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

In the case of disposals, turnover and results are included up to the date of disposal.

Goodwill

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

Tangible fixed assets and intangible fixed assets

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

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

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

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

Intangible fixed assets are amortised on a straight line basis over the period in which the Group is expected to benefit from these assets, not exceeding 20 years.

Evaluation of assets for impairment

The Company reviews its long-lived assets for possible impairment by comparing their discounted expected future cash flows to their carrying amount. An impairment loss is recognised if the discounted expected future cash flows are less than the carrying amount of the asset and the impaired asset is written down to its recoverable amount.

Provision is made against the carrying value of tangible or intangible fixed assets where an impairment in value is deemed to have occurred.

Research and development expenditure

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

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

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

**Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)**

Pre-launch costs

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

Advertising costs

The Company has adopted an accounting policy for advertising costs whereby they are expensed as incurred. For the year ended 31 December 2002 costs incurred were £234,000 (31 December 2001: £589,000, 31 December 2000: £126,000).

Stocks and work in progress

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

Finance and operating leases

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

Foreign currencies

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

Financial instruments

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

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

Turnover

Revenues exclude value added tax, sales between group companies and trade discounts. Revenues from pharmaceutical product sales and royalties now comprise the main element of the Company's income. This revenue represents the invoice value of products delivered to the customer, less trade discounts. The Company

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

makes provisions for product returns based on specific product by product sales history and the value of product returns is taken as a deduction from revenue.

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

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

Deferred taxation

Provision is made for deferred taxation in accordance with FRS 19, “Deferred taxation” on all material timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Pension costs

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

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

Short term investments

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

Share schemes

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

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

Discontinued operations

During 2002, a provision for costs associated with discontinued operations was released. During 2001, the Group disposed of all of its 99.16% equity interest in its South American transdermal business. This business has been included within discontinued operations in the profit and loss account. Discontinued operations also include some transactions related to the disposal of the main UK-based transdermal business in 1999.

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

Risks and uncertainties

The value of the Company's patent and proprietary rights will be affected by its ability to obtain and preserve patent protection for its products and trade secrets, and by the emergence of competing technologies over time. In particular, the value of the intangible assets described in note 17 could be severely affected by changes in the status of the Company's patent and proprietary rights.

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

We currently rely on a single source of supply for most of our products. In the case of Permax, we received notice in March 2003 that the supplier has elected to terminate its manufacturing and supply obligations to us, with effect from 4 March 2006. There is therefore a risk that the Company will be unable to transfer manufacturing arrangements to an alternative provider in a timely or cost effective manner.

Use of estimates

The preparation of financial statements in conformity with UK GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Nature of operations

The principal activities of the Company comprise the marketing and distribution of pharmaceutical products and the provision of drug delivery and development services to third party pharmaceutical companies. Currently the Company's principal products consist of a portfolio of products which were acquired on September 29, 1999 from Elan Pharmaceuticals Inc, a related party, (see note 38). During 2001, the Company entered the neurology market with the acquisition of the exclusive US marketing and distribution rights to Permax, a product approved by the US Food and Drug Administration ("FDA") as a treatment for Parkinson's disease. In 2002, the Company exercised an option to acquire continuing marketing and distribution rights to Permax (see note 38).

An analysis of performance by geographical segment is given in note 3.

Restatement of comparatives

During the period ended 31 December 2001 the Company sold all of its 99.16% equity interest in its South American transdermal patch business. Consequently, this business has been shown in the profit and loss account as a discontinued operation and the comparatives have been restated to be consistent with this.

During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

3 Analysis by geographical segment

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Sales by destination

	2002	2001	2000
	£'000	£'000	£'000
Geographical segment			
United Kingdom	532	678	—
Europe	2,964	3,273	3,032
North America	36,348	32,682	7,494
Rest of the world	805	294	—
	40,649	36,927	10,526
Discontinued operation	—	2,225	7,013
	40,649	39,152	17,539

Sales by origin

	2002	2001	2000
	£'000	£'000	£'000
Geographical segment			
United Kingdom	70	60	—
North America	36,348	32,523	7,201
Europe	4,231	4,344	3,325
	40,649	36,927	10,526
Discontinued operation	—	2,225	7,013
	40,649	39,152	17,539

(Loss)/profit before taxation

	2002	2001	2000
	£'000	£'000	£'000
Geographical segment			
United Kingdom	(21,686)	(4,401)	(1,117)
Europe	(207)	286	(3)
North America	1,077	879	(189)
	(20,816)	(3,236)	(1,309)
Discontinued operation	—	300	3,238
	(20,816)	(2,936)	1,929

Net (liabilities)/assets

	2002	2001	2000
	£'000	£'000	£'000
Geographical segment			
United Kingdom	(3,241)	19,900	20,161
Europe	(694)	(261)	(670)
North America	79	733	183
Rest of the world	—	—	1,172
	(3,856)	20,372	20,846

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Analysis by class of business

	2002	2001	2000
	£'000	£'000	£'000
Turnover			
Licensing and development fees	2,069	1,472	817
Services	394	104	76
Royalties and product sales	38,186	35,351	9,633
	40,649	36,927	10,526
Discontinued operations	—	2,225	7,013
	40,649	39,152	17,539

Long lived assets by geographical location

	2002	2001	2000
	£'000	£'000	£'000
United Kingdom	29,642	32,675	14,141
Europe	711	580	665
North America	606	653	157
Rest of world	—	—	1,116
	30,959	33,908	16,079

Significant customers

During the year ended 31 December 2002, approximately 23% of the Group's revenues were from one major customer and the next four largest customers accounted for a further 56% of revenues.

Approximately 10% of the Company's revenues in the year ended 31 December 2001 were from one major customer and the next four largest customers accounted for a further 26% of revenues. Approximately 13% of the Company's revenues in the year ended 31 December 2000 were from one major customer and the next four largest customers accounted for a further 37% of revenues. For each of these three periods, the significant customers are located in the United States of America.

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

4 Cost of sales

	2002	2001	2000
	£'000	£'000	£'000
Cost of sales	15,805	15,738	4,492
Inventory write-off	2,891	—	—
	18,696	15,738	4,492
Analysed:			
Continuing operations	18,696	14,734	3,089
Discontinued operations	—	1,004	1,403
Total operating expenses	18,696	15,738	4,492

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

5 Operating expenses

	Note	2002	2001	2000
		£'000	£'000	£'000
Administrative expenses				
Administrative and general expenses		7,485	5,107	4,731
Selling and marketing expenses		7,197	4,012	362
Foreign exchange gain		(5,019)	—	—
Amortisation of intangible fixed assets	17	1,779	1,725	1,181
Amortisation of Permax sales and marketing rights	17	2,830	12,452	—
Impairment of Moraxen carrying value	17	294	—	—
Impairment of Permax carrying value	17	23,796	—	—
		38,362	23,296	6,274
Analysed:				
Continuing operations		38,362	22,839	5,839
Discontinued operations		—	457	435
		38,362	23,296	6,274
Research and development costs				
Continuing operations		3,859	2,841	3,367
Discontinued operations		—	306	479
		3,859	3,147	3,846
Total operating expenses		42,221	26,443	10,120

6 Directors' emoluments

	2002	2001	2000
	£'000	£'000	£'000
Aggregate emoluments	873	758	401
Company pension contributions to money purchase schemes	22	18	15
	895	776	416

The Company paid pension contributions to money purchase pension schemes on behalf of one director (year to 31 December 2001: one director, year to 31 December 2000: one director).

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

T G Lynch waived emoluments in respect of the year ended 31 December 2002 amounting to £25,000 (year to 31 December 2001: £25,000, year to 31 December 2000: £25,000). Also, J Groom waived emoluments in respect of the year ended 31 December 2002 amounting to £25,000 (year to 31 December 2001: £14,000).

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

Highest paid director

	2002	2001	2000
	£'000	£'000	£'000
Aggregate emoluments	514	557	316
Company pension contributions to money purchase schemes	22	18	15
	536	575	331

7 Employee information

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

	2002	2001	2000
	£'000	£'000	£'000
Marketing and administration	58	30	16
Clinical and registration	6	7	6
Research and development	24	29	27
Computing	2	2	2
Laboratory	16	16	14
	106	84	65

	2002	2001	2000
	£'000	£'000	£'000
Staff costs (for the above persons):			
Wages and salaries	5,386	3,489	2,192
Social security costs	1,053	489	431
Other pension costs	233	155	153
	6,672	4,133	2,776

8 (Loss)/profit on disposal of discontinued operations

	2002	2001	2000
	£'000	£'000	£'000
(Loss) on disposal of South American transdermal business	—	(893)	—
Profit on sale of transdermal business	—	—	759
	—	(893)	759

There were no disposals during 2002.

Profit of £759,000 for the year ended 31 December 2000 related to the reversal of a payable balance, arising on the 1999 sale of the UK transdermal patch business, which was paid on behalf of the Company by Elan. The Company is not obliged to repay Elan any of this amount.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

On 30 November 2001 the Company and its subsidiary, Amarin Pharmaceuticals Company Limited, concluded the sale of its 99.16% share of its South American transdermal patch product development business comprising the Company's entire interest in the business. The South American transdermal patch business was discontinued from that date.

The consolidated profit and loss account contains a combined profit/ (loss) on discontinued operations calculated as follows:

	Year ended 31 December 2002	Year ended 31 December 2001	Year ended 31 December 2000
	£'000	£'000	£'000
Revenue			
Royalties and product sales	—	2,036	3,072
Licensing and development fees	—	146	3,870
Services	—	43	71
Total revenues from discontinued operations	—	2,225	7,013
Cost of sales	—	1,004	1,403
Gross profit	—	1,221	5,610
Operating expenses			
Research and development	—	306	479
Selling, general and administrative expenses	—	457	435
Total operating expenses from discontinued operations	—	763	914
Operating profit	—	458	4,696
Exceptional cost of restructuring (see note 11)	669	735	(2,108)
Profit from discontinued operations	669	1,193	2,588

9 Interest receivable and similar income

	2002	2001	2000
	£'000	£'000	£'000
Bank interest receivable and similar income	240	526	365
Other interest receivable	2	—	1
Gain on disposal of current asset investments	—	21	242
	242	547	608

10 Interest payable and similar charges

	2002	2001	2000
	£'000	£'000	£'000
On bank overdrafts	3	14	9
On other loans	1,153	273	162
On finance leases	3	9	17
Other interest payable	300	—	69
	1,459	296	257

Other interest payable comprises of interest payable on the under-provision of UK corporation tax relating to prior years (see note 13).

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

11 Exceptional items

	2002	2001	2000
	£'000	£'000	£'000
Exceptional costs — restructuring:			
Discontinuing operations	(669)	(735)	2,108

The costs shown above in 2000 represented the estimated costs incurred in terminating the contracts that were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities. This expense formed part of the overall programme of restructuring the business towards a pharmaceuticals products marketing and distribution focus and reducing research and development activities. In December 2000 the Company was informed that Elan Pharma International Limited would not be assuming certain of these contracts. As this area of the business had been discontinued, certain costs were estimated to be incurred in terminating a number of contracts, and the provision represented the directors' estimate of the costs that were expected to be incurred. £735,000 of this provision was released during 2001. The remaining £669,000 of this provision was released during 2002 (see note 25).

12 (Loss)/profit on ordinary activities before taxation

	2002	2001	2000
	£'000	£'000	£'000
(Loss)/profit on ordinary activities before taxation is stated after charging:			
Depreciation/amortisation charge for the period:			
Intangible fixed assets	4,609	14,177	1,181
Tangible owned fixed assets	448	299	348
Tangible fixed assets held under finance leases	90	95	91
Auditors' remuneration for audit (company £154,000, year to 31 December 2001: £113,000, year to 31 December 2000; £50,000)	166	133	81
Auditors' remuneration for non-audit work	83	178	123
Operating lease charges			
Plant and machinery	10	3	—
Other	1,022	390	307
Loss/(gain) on disposal of fixed assets	7	9	(3)

13 Taxation

	2002	2001	2000
	£'000	£'000	£'000
Tax on (loss)/profit on ordinary activities:			
United Kingdom corporation tax at 30%			
Current year	—	165	55
(Over)/under provision in respect of prior years	1,622	(12)	42
Overseas taxation: current	574	180	132
Total current tax	2,196	333	229

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

During 2002, the Company provided for £1,622,000 in respect of prior years corporation tax payable. Of this, £1,605,000 relates to the gain arising on the disposal of the transdermal business in 1999. The charge attributable to continuing operations is:

	2002	2001	2000
	£'000	£'000	£'000
United Kingdom corporation tax			
Current year	—	115	60
Prior year	107	(12)	42
Overseas tax	574	180	127
Attributable to continuing operations	681	283	229

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

	2002	2001	2000
	£'000	£'000	£'000
(Loss)/profit on ordinary activities before tax	(20,816)	(2,936)	1,929
(Loss)/profit on ordinary activities multiplied by standard rate of corporate tax in the UK of 30% (2001: 30%, 2000: 30%)	(6,245)	(881)	579
Overseas tax and adjustments in respect of foreign tax rates	583	180	8
Accelerated capital allowances and other short term timing differences	2,087	895	(441)
Expenses not deductible for tax purposes	4,149	151	41
Adjustments to tax charge in respect of previous period	1,622	(12)	42
Current tax charge	2,196	333	229

In the UK, the applicable statutory rate for Corporate income tax was 30% for the year ended 31 December 2000, 2001 and 2002.

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

Losses carried forward in the continuing UK Company at 31 December 2002 were £33,533,000 (31 December 2001: £28,845,000, 31 December 2000: £20,718,000) subject to confirmation by UK tax authorities. Under UK tax law, these losses can be carried forward indefinitely for set off against future profits of the same trade.

The Company has recognised a full valuation allowance against deferred tax assets as the likelihood of realising these assets is uncertain.

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

14 Loss for the financial period

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. Of the consolidated loss attributable to the shareholders of Amarin Corporation plc a loss of £23,371,000 (31 December 2001: loss of £3,455,000, 31 December 2000: loss of £11,729,000) has been dealt with in the financial statements of the Company.

15 (Loss)/earnings per ordinary share

The (loss)/earnings per ordinary share are as follows:

	2002	2001	2000
		*Restated	*Restated
Net (loss)/earnings attributable to ordinary shareholders (£'000)	(23,012)	(3,269)	1,700
Basic (loss)/earnings per ordinary share (pence)	(247.5)	(45.9)	43.0
Fully diluted (loss)/earnings per ordinary share (pence)	(247.5)	(45.9)	20.2
Weighted average number of ordinary shares in issue	9,297,200	7,124,700	3,953,100
Dilutive impact of cumulative preference shares	2,000,000	4,129,800	4,129,800
Dilutive impact of share options outstanding	565,500	765,800	345,700
Fully diluted average number of ordinary shares in issue	11,862,700	12,020,300	8,428,600

* During 2002 the nominal value of ordinary shares was converted from 10p to £1 resulting in the number of shares reducing by a factor of 10, accordingly the comparatives for 2001 and 2000 have been restated.

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

Fully diluted earnings per share is calculated using the weighted average number of ordinary shares in issue adjusted to reflect the effect were the cumulative preference shares to be converted to additional ordinary shares, together with the effect of exercising those share options granted where the exercise price is less than the average market price of the ordinary shares during the year. Because the Company reported a net loss in 2002 and 2001, the loss per share is not reduced by dilution.

16 Dividends — non-equity

In 2002 the Company has proposed and accrued £76,000 relating to non-equity dividends on the 3% convertible preference shares of £1 nominal value. In 2001 and 2000 the Company has accrued £124,000 relating to non-equity dividends on 4,129,819 3% convertible preference shares of £1 nominal value. During 2002, 2,129,819 of the shares were converted into ordinary shares (see note 27).

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

17 Intangible fixed assets

Group	£'000
Cost	
At 1 January 2000	17,720
Additions	3,887
At 31 December 2000 and at 1 January 2001	21,607
Additions	32,385
Disposals	(6,066)
At 31 December 2001 and at 1 January 2002	47,926
Additions	25,798
At 31 December 2002	73,724
Amortisation	
At 1 January 2000	5,307
Charge for year	1,181
At 31 December 2000 and at 1 January 2001	6,488
Charge for year	14,177
Eliminated on disposal	(5,117)
At 31 December 2001 and at 1 January 2002	15,548
Charge for the year	4,609
Impairment charge	24,090
At 31 December 2002	44,247
Net Book Value	
Net book value at 31 December 2002	29,477
Net book value at 31 December 2001	32,378
Net book value at 31 December 2000	15,119

Additions in 2002 to intangible fixed assets comprise £25,733,000 in respect of the purchase of the remaining US rights to Permax following the Company's exercise of its option to purchase these outright. £65,000 was also paid in order to acquire an option to purchase exclusive rights to promote, sell and distribute Zelapar in the US.

During 2002, the Group recorded impairment charges in relation to the value of Permax (£23,796,000), following the introduction of generic competition and Moraxen (£294,000). Moraxen has no carrying value remaining. The impairment charges were calculated in accordance with FRS11 (UK GAAP) "Impairment of fixed assets and goodwill". As prescribed in FRS11 the launch of a generic is a "trigger" event which necessitates, where appropriate, a revision of the carrying value of the intangible.

Additions in 2001 comprised £19,943,000 in respect of sales and marketing product rights, £12,405,000 purchase of product rights option and £37,000 in respect of purchase of patents. The sales and marketing product rights originally entitled the Company to generate revenues from the sale of Permax over the period to June 30, 2002. These rights were being amortised over this period until the exercise of the associated option to purchase outright. £12,452,000 of the amortisation charge in the year ended 31 December 2001 shown above relates to Permax.

The directors have made an assessment of the expected useful lives of intangible assets and they are being amortised over these periods, which do not exceed 15 years, in accordance with the expected underlying pattern of cashflows to be generated by the assets.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Company

	£'000
Cost	
At 1 January 2000	11,758
Additions	3,860
At 31 December 2000 and at 1 January 2001	15,618
Additions	32,349
At 31 December 2001 and at 1 January 2002	47,967
Additions	25,798
At 31 December 2002	73,765
Amortisation	
At 1 January 2000	415
Charge for year	1,176
At 31 December 2000 and at 1 January 2001	1,591
Charge for year	14,013
At 31 December 2001 and at 1 January 2002	15,604
Charge for the year	4,684
Impairment charge	24,090
At 31 December 2002	44,378
Net Book Value	
Net book value at 31 December 2002	29,387
Net book value at 31 December 2001	32,363
Net book value at 31 December 2000	14,027

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

18 Tangible fixed assets

Group	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2000	33	2,133	57	28	344	2,595
Additions	—	264	39	70	84	457
Disposals	—	(97)	(16)	(7)	—	(120)
At 31 December 2000 and at 1 January 2001	33	2,300	80	91	428	2,932
Additions	407	164	—	379	77	1,027
Disposals	(33)	(100)	(27)	(4)	(44)	(208)
At 31 December 2001 and at 1 January 2002	407	2,364	53	466	461	3,751
Additions	—	318	—	125	156	599
Disposals	—	(98)	—	(108)	(15)	(221)
At 31 December 2002	407	2,584	53	483	602	4,129
Accumulated depreciation						
At 1 January 2000	16	1,249	57	3	263	1,588
Charge for the year	3	366	7	17	46	439
Eliminated on disposals	—	(39)	(16)	—	—	(55)
At 31 December 2000 and at 1 January 2001	19	1,576	48	20	309	1,972
Charge for the year	22	255	9	55	53	394
Eliminated on disposals	(21)	(60)	(27)	(2)	(35)	(145)
At 31 December 2001 and at 1 January 2002	20	1,771	30	73	327	2,221
Charge for the year	18	282	10	87	141	538
Eliminated on disposals	—	(31)	—	(70)	(11)	(112)
At 31 December 2002	38	2,022	40	90	457	2,647
Net book value						
At 31 December 2002	369	562	13	393	145	1,482
At 31 December 2001	387	593	23	393	134	1,530
At 31 December 2000	14	724	32	71	119	960

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

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

Group	£'000
Cost	
At 1 January 2000	577
At 31 December 2000 and at 1 January 2001	577
Disposals	(62)
At 31 December 2001 and at 1 January 2002	515
Additions	137
Disposals	(92)
At 31 December 2002	560
Accumulated depreciation	
At 1 January 2000	258
Charge for year	91
At 31 December 2000 and at 1 January 2001	349
Charge for year	95
At 31 December 2001 and at 1 January 2002	444
Charge for year	90
Disposals	(35)
At 31 December 2002	499
Net book value	
At 31 December 2002	61
At 31 December 2001	71
At 31 December 2000	228

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Company	Short leasehold	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2000	33	97	42	4	103	279
Additions	—	—	38	—	27	65
Disposals	—	(97)	(16)	—	—	(113)
At 31 December 2000 and at 1 January 2001	33	—	64	4	130	231
Additions	182	—	—	52	42	276
Disposals	(33)	—	(27)	(2)	(35)	(97)
At 31 December 2001 and at 1 January 2002	182	—	37	54	137	410
Additions	—	—	—	5	25	30
At 31 December 2002	182	—	37	59	162	440
Accumulated depreciation						
At 1 January 2000	16	33	42	4	37	132
Charge for the year	3	6	6	—	25	40
Eliminated on disposals	—	(39)	(16)	—	—	(55)
At 31 December 2000 and at 1 January 2001	19	—	32	4	62	117
Charge for the year	16	—	9	7	34	66
Eliminated on disposals	(21)	—	(27)	(2)	(35)	(85)
At 31 December 2001 and at 1 January 2002	14	—	14	9	61	98
Charge for the year	18	—	10	10	49	87
At 31 December 2002	32	—	24	19	110	185
Net book value						
At 31 December 2002	150	—	13	40	52	255
At 31 December 2001	168	—	23	45	76	312
At 31 December 2000	14	—	32	—	68	114

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

19 Fixed asset investments

Group

The Group had no fixed asset investments as 31 December 2002, 2001 or 2000.

Company

	Group undertakings
	£'000
Cost or valuation	
At 31 December 2002, 2001 and 2000	1,031

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Interest in group undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued share capital held by the Group	Proportion of nominal value of issued share capital held by the Company
			%	%
Amarin Pharmaceuticals Company Limited	England and Wales	1,599,925 £1 ordinary shares	100	100
Ethical Pharmaceuticals (UK) Limited	England and Wales	16,262 £1 ordinary shares	100	100
		11,735 £1 ‘A’ ordinary shares	100	100
		375,050 £1 redeemable cumulative preference shares	100	100
		5,421 £1 redeemable convertible cumulative preference shares	100	100
Gacell Holdings AB	Sweden	1,000 SEK 100 ordinary shares	100	—
Amarin Development (Sweden) AB	Sweden	1,000 SEK 100 ordinary shares	100	—
Amarin Pharmaceuticals Inc.	United States	10 US $0.01 common stock	100	—

All the above subsidiary undertakings have been consolidated in the financial statements using the acquisition method except for Gacell Holdings AB which has been accounted for as a merger.

Sales and marketing companies

Amarin Pharmaceuticals Inc.

Research and development of pharmaceutical products and new drug delivery systems

Amarin Development (Sweden) AB.

Intermediate holding companies

Gacell Holdings AB and Amarin Pharmaceuticals Company Limited.

Non trading companies

Ethical Pharmaceuticals (UK) Limited.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

20 Stock

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Raw materials and consumables	497	704	794	496	704	784
Finished goods and goods for resale	4,302	1,734	1,084	4,263	1,719	1,084
	4,799	2,438	1,878	4,759	2,423	1,868

21 Debtors

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Amounts falling due within one year						
Trade debtors	8,360	4,060	1,961	8,180	3,661	1,469
Amounts owed by group undertakings	—	—	—	12,017	17,821	2,801
Other debtors	650	900	945	207	327	488
Prepayments and accrued income	684	448	227	607	368	149
	9,694	5,408	3,133	21,011	22,177	4,907

No provision or charge against bad or doubtful debts has been made during 2002, 2001, 2000.

22 Current asset investments

The Group holds an investment in Antares Pharma Inc. ("Antares") (formerly Medi-Ject Corporation), which is listed on the NASDAQ Exchange in the United States. In 2002, the directors have written off the carrying value of the investment in Antares.

In 2001 the carrying value was £44,000 against a market value of £39,000, the directors did not consider it necessary to reduce the year end carrying value to the market value as they considered the reduction to be a temporary diminution. The investment was held at its market value, being £44,000 at 31 December 2000.

At 31 December 2000, £10,020,000 of current asset investments was represented by cash held on short term deposit.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

23 Creditors: amounts falling due within one year

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Bank overdraft	—	118	—	—	—	—
Current portion of other loans	17,082	30,919	—	10,870	30,919	—
Obligations under finance leases	12	97	166	—	—	—
Trade creditors	1,907	2,075	1,226	1,770	1,886	844
Amounts owed to group undertakings	—	—	—	8,614	16,910	2,621
Corporation tax payable	1,980	153	104	1,970	153	55
Other taxation and social security payable	239	229	477	165	167	234
Other creditors	14,457	2,021	366	14,405	1,782	179
Accruals and deferred income	5,880	1,290	698	5,620	1,068	535
	41,557	36,902	3,037	43,414	52,885	4,468

(a) At 31 December 2002, the "Current portion of other loans" comprises an unsecured loan from related parties, with a total principal amount of £26,399,000 (US$42,500,000) of which $27,500,000 (£17,082,000) is shown as due within one year. Of this amount, $17,500,000 (£10,870,240) was repayable at 31 December 2002, with the remaining $10,000,000 (£6,212,000) due in 2003. The loan carries interest at 2% above dollar LIBOR. On January 16, 2003 US$17,500,000 was paid. The remaining US$10,000,000 has been restructured and deferred by one year and is now due in 2004.

(b) As further discussed in Note 24, £7,764,000 of the current portion of "Other creditors" relates to the deferred fixed payments due as a result of the exercise of the option with Permax. These payments do not bear interest.

There is a right of set off between all of the Company's United Kingdom bank accounts and each company cross guarantees every other company within the UK group. In Sweden, the average outstanding line of credit in the year to 31 December 2002, 2001, 2000 was £nil, £54,000 and £118,000 respectively. The available line of credit in each of these years was £285,000. The average bank interest rate in Sweden for the year ended 31 December 2002 was 5% (31 December 2001 5.3%, 31 December 2000 5%).

24 Creditors: amounts falling due after more than one year

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Other loans	13,354	4,466	6,266	19,566	4,466	6,266
Other creditors	9,318	—	98	9,318	—	—
Obligations under finance leases	120	—	94	—	—	—
	22,792	4,466	6,458	28,884	4,466	6,266

Long-term debt is made up of loans which are repayable as shown below;

In 2002, other loans comprises of:

a) a non-interest bearing loan, with a related party, of £4,037,000 (US$6,500,000) which is repayable in one lump sum on September 29, 2004 and is unsecured;

b) the longer term portion of the loan further described in Note 23(a) is £9,317,000 (US$15,000,000) with a related party and repayable on September 30, 2004. The loan bears interest at LIBOR dollar

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

rate plus 2% per annum and is unsecured. As discussed in Note 23(a) $17,500,000 due at 31 December 2002 was paid in January 2003. In addition, in 2003 the loan was restructured and the longer term portion due previously on September 30, 2004 has been deferred by one year to September 30, 2005 (see note 23(a));

In 2002, "Other creditors" include amounts due to a related party, in respect of deferred consideration arising on the purchase of the remaining US rights to Permax. £7,764,000 (US$12,500,000) was due within one year, while £9,318,000 (US$15,000,000) was due after one year. This liability is interest free and repayable by quarterly instalments. Since the year end, a repayment of US$2,500,000 has been made and an amount of US$7,500,000 in future option payments has been waived by a related party as part of a debt restructuring.

In 2001, other loans comprises of:

a) non-interest bearing loan, with a related party, of £4,466,000 (US$6,500,000) which was repayable at 30 September 2000 has been renegotiated and is now repayable by 29 September 2004 and is unsecured; and

b) a loan with an outstanding amount of £419,000 at 31 December 2000 (31 December 1999: £336,000 (US$542,000)) which was repayable on 30 June 2005, was converted into 1,000,000 ordinary shares during the year ended 31 December 2001.

In 2000, other loans include:

a) a loan with an outstanding amount of £4,354,000, which was repayable by 29 September 2004, was non-interest bearing and is unsecured;

b) a loan with an outstanding amount of £1,493,000, which was repayable on 6 April 2003, bears interest at LIBOR dollar rate plus 2% per annum and was unsecured; and

c) a loan with an outstanding amount of £419,000, which was repayable on 30 June 2005, was unsecured and bears interest at 11% per annum.

Analysis of repayments

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

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Within one year or on demand	24,847	31,037	—	24,847	30,919	—
Between one and two years	19,567	—	—	19,567	—	—
Between two and five years	3,105	4,466	6,266	3,105	4,466	6,266
	47,519	35,503	6,266	47,519	35,385	6,266

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

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

	Group			Company		
	2002	2001	2000	2002	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	13	98	176	—	—	—
Between one and two years	144	—	99	—	—	—
Between two and five years	—	—	—		—	—
Less: interest	(25)	(1)	(15)	—	—	—
	132	97	260	—	—	—
Less: current maturities	(12)	(97)	(166)	—	—	—
Long-term maturity	120	—	94	—	—	—

25 Provisions for liabilities and charges

Group and Company

	Deferred Taxation	National Insurance	Transdermal Provision	Total
	£'000	£'000	£'000	£'000
At 1 January 2000	—	—	—	—
Charged to the profit and loss account	—	53	2,108	2,161
At 31 December 2000 and at 1 January 2001	—	53	2,108	2,161
Payments made in the year	—	—	(704)	(704)
Charged/(released) to the profit and loss account	—	24	(735)	(711)
At 31 December 2001 and at 1 January 2002	—	77	669	746
(Released) to the profit and loss account	—	(46)	(669)	(715)
At 31 December 2002	—	31	—	31

The provision for employer's National Insurance contributions shown above relates to amounts due on the exercise of certain share options held by employees provided in accordance with UITF 25 and will accumulate over the vesting period of relevant options.

The Transdermal provision shown above represents the estimated costs to be incurred in terminating the contracts which were not assumed by Elan Pharma International Limited as part of the sale to them of the transdermal assets and liabilities. In December 2000 the Company was informed that Elan Pharma International Limited would not be assuming certain of these contracts. As this area of the business had been discontinued, certain costs were likely to be incurred in terminating a number of contracts, and the provision represents the directors' estimate of the costs which would be incurred.

During the year ended 31 December 2001, the Company incurred costs of £704,000 in respect of terminating the contracts and released £735,000 of the provision. During the year ended 31 December 2002 the directors have reviewed the remaining provision and £669,000 has been credited to the discontinued operations section of the consolidated profit and loss account, as the likelihood of these liabilities crystallising is considered to be remote.

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

Deferred taxation

No deferred tax asset has been recognised by the Company or the Group in 2002, 2001 or 2000 as the Company has a high level of corporate tax losses carried forward and insufficient certainty of future profitability. The unrecognised potential deferred tax asset amounted to £18,265,000 (2001: £8,400,000, 2000: £6,500,000).

26 Financial instruments

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

It is, and has been throughout the year under review, the Group's policy not to enter into derivative transactions. This was also the case in the 2001 and 2000 financial years. The Group holds ordinary shares in other companies as current asset investments and these are shown on the balance sheet. However, the holding of investments in other companies is no longer a principal activity of the Group and during the last three years the majority of these holdings have been provided against where no market exists for them or sold where possible. At 31 December 2002 the value of traded shares in other companies was £Nil (2001: £44,000, 2000: £44,000) and the gain made in the year on the sale of current asset investments credited to the profit and loss account was £Nil (2001: £21,000, 2000: £Nil).

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

The Group has two principal overseas operations in different territories: the USA and Sweden. The revenues and expenses of the operations in the USA are denominated in US dollars and those of the Swedish operation in Swedish Kroner. In 2002 sales to the US accounted for approximately 89% (2001:88%, 2000:68%) of the Group's revenues from continuing operations. In order to protect the Group's liquidity from fluctuations in the US dollar/ sterling exchange rate, the bulk of the Group's borrowings are denominated in US dollars.

The Swedish subsidiary is supported by a bank overdraft when necessary denominated in Swedish Kroner. Further financing for it is provided out of group funds. The US business is supported by US dollar loans held by group companies with sterling as their functional currency.

The balance sheet positions at 31 December 2002, 2001 and 2000 are not representative of the position throughout the period as cash and short-term investments, loans and shares fluctuate considerably depending on when fund-raising activities have occurred. Short-term debtors and creditors have been excluded from all the following disclosures, other than currency risk disclosures, as permitted by Financial Reporting Standard 13 ("Derivatives and other financial instruments").

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Interest rate risk profile of financial liabilities

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

	2002				2001				2000			
	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sterling	—	—	31	31	—	—	746	746	—	—	2,161	2,161
Swedish Kroner	132	—	—	132	215	—	—	215	260	—	—	260
US Dollar	9,317	—	13,357	22,674	—	—	4,466	4,466	1,493	419	4,354	6,266
Financial liabilities	9,449	—	13,388	22,837	215	—	5,212	5,427	1,753	419	6,515	8,687
Preference shares	—	2,000	—	2,000	—	4,130	—	4,130	—	4,130	—	4,130
Total	9,449	2,000	13,388	24,837	215	4,130	5,212	9,557	1,753	4,549	6,515	12,817

The floating rate financial liabilities comprise loans, finance lease obligations and bank overdrafts. These bear interest at rates based on national LIBID equivalents.

The interest free liabilities are composed of provisions (see note 25), other loans and deferred consideration (see note 24). The maturity of the provisions depends on when certain employee share options are exercised, and when certain agreements are terminated. The interest free loan is repayable by 29 September 2004. The deferred consideration at the year end as payable in quarterly instalments between January 2004 and June 2005 (see note 24 and 37 for details of the renegotiation of this deferred consideration since the year end).

The preference shares bear interest at 3% per annum and are not redeemable but are convertible on, or after, 30 December 2001. During 2002, 2,129,819 of these shares were converted into ordinary shares (see note 27).

Interest rate risk profile of financial assets

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

	2002				2001				2000			
	Floating rate	Fixed rate	No interest	Total £000	Floating rate	Fixed rate	No interest	Total	Floating rate	Fixed rate	No interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sterling	1,998	—	—	1,998	962	—	—	962	—	—	—	—
Euro	—	—	—	—	1,000	—	—	1,000	710	—	—	710
Swedish Kroner	57	—	—	57	26	—	—	26	50	—	—	50
US Dollar	13,017	—	—	13,017	18,700	—	44	18,744	588	10,020	44	10,652
Total	15,072	—	—	15,072	20,688	—	44	20,732	1,348	10,020	44	11,412

The floating rate financial assets comprise cash balances. The majority of cash is generally held in floating rate accounts earning interest based on relevant national LIBID equivalents. The 2001 and 2000 interest free financial asset was a current asset investment in the shares of another company (see note 22), which was fully provided for in 2002.

Foreign currency risk profile

Group companies with sterling as their functional currency are the only ones to have significant monetary assets and liabilities in currency other than their local currency. At 31 December 2002 they held US dollar monetary assets of £29,256,000 (2001: £21,530,000, 2000: £934,000), US dollar monetary liabilities of

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

£37,304,000 (2001: £38,795,000, 2000: £5,893,000), various EU monetary assets of £637,000 (2001: £1,000,000, 2000: £Nil) and various EU monetary liabilities of £544,000 (2001: £Nil, 2000: £Nil).

Fair values

The preference shares described in note 27 are not traded on an organised market. It is therefore not practicable to estimate their fair value with sufficient reliability, as the future cash flows associated with them depend on when they are converted into ordinary shares.

The fair value of the US$6,500,000 non-interest bearing loan currently carried at £4,037,000 and repayable by 29 September 2004 is £3,608,000 based on discounting at LIBOR plus 4%.

The fair value of the US$15,000,000 non-interest bearing deferred consideration currently carried at £9,317,000 and repayable by quarterly instalments through to 4 June 2005 is £8,271,000 based on discounting at LIBOR plus 4%.

The fair value of the US$15,000,000 interest bearing loan currently carried at £9,317,000 and repayable 30 September 2004 is £8,327,000 based on discounting at LIBOR plus 4%.

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

Maturity risk profile

	2002			2001			2000		
	Debt	Finance leases	Total	Debt	Finance leases	Total	Debt	Finance leases	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
In one year or less	24,847	12	24,859	30,919	97	31,016	—	166	166
In more than one year but less than two years	19,567	—	19,567	—	—	—	—	94	94
In more than two years but not more than five years	3,106	120	3,226	4,466	—	4,466	6,266	—	6,266
Total	47,520	132	47,652	35,385	97	35,482	6,266	260	6,526

The Group's preference shares and provisions have not been included in the above table, as the preference shares are not redeemable but are convertible on or after 30 December 2001 (see note 27), and the maturity of the provisions depends on when certain employee share options are exercised, and when certain agreements are terminated.

The Group has overdraft facilities of £285,000, of which £285,000 was undrawn at 31 December 2002. This facility expires within one year.

See note 24 and 37 for details of the renegotiation of the other loan and deferred consideration subsequent to the year end.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

27 Called-up share capital

	2002	2001	2000
	£'000	£'000	£'000
Authorised			
50,000,000 (31 December 2001 and 2000: 500,000,000 ordinary shares of 10p each) ordinary shares of £1 each	50,000	50,000	50,000
5,000,000 (31 December 2001 and 2000: 5,000,000) 3% cumulative convertible preference shares of £1 each	5,000	5,000	5,000
	55,000	55,000	55,000
Allotted, called up and fully paid			
9,838,158 (31 December 2001:76,743,893, 31 December 2000: 68,145,760 ordinary shares of 10p each) ordinary shares of £1 each	9,838	7,674	6,814
2,000,000 (31 December 2001 and 2000: 4,129,819) 3% cumulative convertible preference shares of £1 each	2,000	4,130	4,130
	11,838	11,804	10,944

During the year ended 31 December 2002, the nominal value of the ordinary shares was converted from 10p to £1 and 2,129,819 of the 3% cumulative convertible preference shares of £1 each were converted into ordinary shares.

Issue of share capital

During the year ended 31 December 2002, 34,000 £1 ordinary shares (£34,000) were issued in respect of share options (2001: 7,598,133 10p shares, 2000: 290,000 10p shares) being £34,000 nominal value in aggregate (2001: £760,000, 2000: £29,000) for a total consideration of £123,000 (2001: £2,746,000, 2000: £62,000).

In 2001, 1,000,000 10p ordinary shares (£100,000) were issued to Lehman Brothers International (Europe) upon conversion of an unsecured loan note of US$500,000, valued at £419,000.

During the year ended 31 December 2000, 38,333,327 10p shares (£3,833,000) were issued via a private placement, 6,507,971 10p shares (£651,000) were issued to Laxdale Limited as part consideration for acquisition of product rights. Further stock issuances and royalty payments on future sales of the product are contingent on the achievement of specified milestones in accordance with the license agreement. 4,000,000 10p shares (£400,000) were issued to Schein Pharmaceuticals Inc. in part consideration of the termination of the multiproduct agreement. The remaining obligation to Schein was settled by a cash payment of US$1,250,000.

The preference shares confer to the holders the right to receive fixed cumulative preferential dividends at a rate of 3% per annum (net of withholding taxes) on the amount paid up on such shares. Such a dividend is paid if in the reasonable opinion of the Directors the profits justify such payments. The preference shares shall rank for dividend in priority to any other shares issued from time to time by the Company.

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

indicated above certain of the preference shares were converted during 2002 and the balance were converted in February 2003.

28 Options and warrants over shares of Amarin Corporation Plc

Number of share options outstanding*	Note	Date Option Granted	Exercise price per Ordinary Share		Number of share options which were repriced at US$5.00 per Ordinary Share
			£	US$	(Note 19)
4,150	1, 18	22 June 1994	38.08	61.30	4,150
300	1	22 December 1994	43.48	70.00	—
1,125	1, 18	30 November 1995	53.60	86.30	1,025
3,275	1, 18	30 November 1996	35.72	57.50	3,050
12,500	2, 18	9 May 1997	38.82	62.50	12,500
5,500	3, 18	10 July 1997	31.06	50.00	5,500
1,500	3, 18	10 July 1997	3.73	6.00	1,500
100,000	3, 18	23 November 1998	15.53	25.00	100,000
450,000	4	23 November 1998	3.11	5.00	—
19,800	5	23 November 1998	0.93	1.50	—
9,250	6	31 December 1998	3.11	5.00	—
5,000	7	2 March 1999	4.47	7.20	—
5,500	8	7 September 1999	1.86	3.00	—
10,000	7	9 February 2000	1.86	3.00	—
38,000	7	9 February 2000	1.86	3.00	—
10,000	7	9 February 2000	4.10	6.60	—
90,000	7	1 March 2000	1.86	3.00	—
37,500	8	1 April 2000	1.86	3.00	—
10,000	7	7 April 2000	1.86	3.00	—
6,250	7	18 May 2000	1.86	3.00	—
5,000	8	23 May 2000	1.86	3.00	—
10,000	9	29 May 2000	1.86	3.00	—
3,293	8	26 September 2000	1.86	3.00	—
34,682	10	24 October 2000	2.42	3.90	—
30,000	11	11 December 2000	3.35	5.40	—
30,000	7	19 February 2001	3.79	6.10	—
10,000	9	12 March 2001	3.73	6.00	—
2,000	9	4 April 2001	4.04	6.50	—
2,334	9	1 May 2001	5.40	8.70	—
45,000	12	4 June 2001	5.40	8.70	—
395,000	12	2 July 2001	6.21	10.00	—
6,000	12	27 July 2001	8.01	12.90	—
10,000	12	10 August 2001	13.85	22.30	—
10,000	12	14 August 2001	11.80	19.00	—
47,000	13	20 August 2001	10.37	16.70	—
15,000	12	31 August 2001	10.55	17.00	—
4,000	12	27 September 2001	10.81	17.40	—
15,000	12	12 December 2001	9.94	16.00	—
228,000	14	12 December 2001	9.94	16.00	—
4,000	15	2 January 2002	10.62	17.10	—
420,650	12, 16	23 January 2002	11.00	17.70	—
80,000	12	18 February 2002	8.26	13.30	—
20,000	17	1 May 2002	9.78	15.75	—
20,000	17	1 May 2002	8.24	13.26	—
20,000	17	1 May 2002	10.96	17.65	—
20,000	17	1 May 2002	12.24	19.70	—
15,000	17	1 May 2002	13.23	21.30	—
20,000	17	1 May 2002	10.44	16.80	—
60,000	17	1 May 2002	10.79	17.37	—

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Number of share options outstanding*	Note	Date Option Granted	Exercise price per Ordinary Share		Number of share options which were repriced at US$5.00 per Ordinary Share
			£	US$	(Note 19)
23,000	17	1 May 2002	7.93	12.77	—
98,070	17, 20	19 July 2002	2.17	3.50	—
2,000	17	19 July 2002	8.32	13.40	—
3,500	17	19 July 2002	7.45	12.00	—
5,000	17	19 July 2002	5.47	8.80	—
262,200	17	5 September 2002	2.05	3.30	—
100,000	7	6 November 2002	1.74	2.80	—
60,000	17	6 November 2002	2.17	3.50	—
387,167	17	6 November 2002	1.93	3.10	—
3,342,546					127,725

Share options granted to date are denominated in US dollars. For disclosure purposes the exercise price of these options has been retranslated into Sterling at the year end exchange rate of US$1.6099/£1.

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

Notes:

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

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

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

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

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

(5) These options can be exercised after three years but before ten years from the date the option is granted, with the exception of 8,000 options granted to employees of Amarin Technologies SA, disposed of on 29 November 2001. These options will expire on 30 June 2003.

(6) These options are exercisable immediately and remain exercisable until 30 June 2003.

(7) These options are exercisable now and remain exercisable until ten years from date of grant.

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

(9) These options were granted to former API New Jersey employees and became exercisable in tranches of 33% each on the date of grant, the first anniversary and the second anniversary of the date of grant. All the options were exercisable at 31 December 2002. Following the closure of the New Jersey office, the expiry date of these options has been brought forward to 20 July 2003.

(10) 4,682 of the total options granted on this date were to former API New Jersey employees, the expiry date for these options has been brought forward to 20 July 2003. 15,000 of the total options granted

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

were to a former Amarin Development AB employees and the expiry date for these options has been brought forward to 31 October 2003. The remaining options granted on this date are exercisable in tranches of 33% from the date of grant then on the first and second anniversary of the date of grant.

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

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

(13) These options were granted to a former Amarin Development AB employee, all are exercisable at 31 December 2002 and the expiry date has been brought forward to 31 October 2003.

(14) These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date of grant and expire 10 years from the date of the grant.

(15) These options were granted to a former API New Jersey employee and became exercisable in tranches of 33% each on the date of grant, the first anniversary and the second anniversary of the date of grant. 1,333 options were exercisable at 31 December 2002. Following the closure of the New Jersey office, the expiry date of these options has been brought forward to 20 July 2003.

(16) 15,050 of the total options were granted to former API New Jersey employees. None were exercisable at 31 December 2002 and the expiry date has been brought forward to 20 July 2003. 9,900 of the total options were granted to a former API New Jersey employee, the expiry date for this grant has been brought forward to 3 December 2004.

(17) These options become exercisable in tranches of 33% over three years on the first, second and third anniversary of the date employment commences. The options expire 10 years from the date of the grant.

(18) 648,770 options were granted on 8 December 1999, in order to effect the re-pricing mentioned in Note 19 below. The options vest and expire at the same dates as those attaching to the original grants except in the case of certain ex-employees where the options expired on 29 December 2000. It is a condition of the award of these options that, upon exercise, the awardee will surrender a like number of options from the original grant. Therefore the original grant has been shown as being repriced in the table above, and the replacement grant has been excluded.

(19) As disclosed in a Shareholders' Circular dated 30 October 1998, the Board decided that all existing share options held by current employees and current directors as at 21 October 1998, who were not serving notice would be repriced at US$0.50 per share (now US$5.00 per share following the conversion of the nominal value of ordinary shares from 10p to £1). Other terms of the grants affected by this re-pricing were left unchanged. For certain options this change was effected at the directors' discretion, with the remainder being effected by grant described at Note 18 above (Note 3 applies to those options which were granted on 23 November 1998).

(20) 3,130 of the options granted on the 19 July 2002 were to ex-API employees and in accordance with the termination agreement with the employees, the expiry date has been brought forward to 20 July 2003. At that date 1,042 of these options will have vested. 1,980 of the options granted on 19 July 2002 were to a former API New Jersey employee and the expiry date has been brought forward to 3 December 2004.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Warrants in shares of Amarin Corporation plc

At 31 December 2002, warrants have been granted over ordinary shares as follows:

Number of warrants outstanding	Note	Date warrant granted	Exercise price per ordinary share
Restated* 30,000	1	20 July 1999	US$8.00 (£5.00)

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

Warrants granted to date are denominated in US dollars. For disclosure purposes these warrants have been re-translated into sterling at the year end rate of US$1.6099/£1.

Notes:

1) The Company issued 30,000 warrants on 20 July 1999 as a retainer for financial advisory services from Petkevich & Partners for the period 20 July 1999 to 20 July 2000. On the date of grant the warrants were fully vested, nonforfeitable and exercisable from 20 July 1999 until 20 July 2004. No warrants were exercised at 31 December 2002.

2) 5,000 warrants issued by the company on 13 September 1999, expired on 13 September 2002. None of the warrants had been exercised by the date they lapsed.

29 Share premium account and reserves

Group

	Share premium account	Warrant proceeds	Merger Reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2000	30,316	705	(1,027)	(28,486)	1,508
Reserve transfer	—	(705)	—	705	—
Profit for the year	—	—	—	1,576	1,576
Premium on share issue	5,746	—	—	—	5,746
Exchange difference on consolidation	—	—	—	14	14
Share option compensation charge	—	—	—	1,058	1,058
At 31 December 2000 and at 1 January 2001	36,062	—	(1,027)	(25,133)	9,902
(Loss) for the year	—	—	—	(3,393)	(3,393)
Premium on share issue	2,082	—	—	—	2,082
Exchange difference on consolidation	—	—	—	(23)	(23)
At 31 December 2001 and at 1 January 2002	38,144	—	(1,027)	(28,549)	8,568
Premium on share issue	89	—	—	—	89
Share issuance costs	(252)	—	—	—	(252)
(Loss) for the year	—	—	—	(23,088)	(23,088)
Exchange difference on consolidation	—	—	—	(1,011)	(1,011)
At 31 December 2002	37,981	—	(1,027)	(52,648)	(15,694)

The cumulative value of goodwill written off to reserves up until 31 December 2002 was £1,868,000 (31 December 2001: £1,868,000, 31 December 2000: £1,868,000).

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

Company

	Share premium account	Warrant proceeds	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 January 2000	28,623	705	(15,176)	14,152
Reserve transfer	—	(705)	705	—
Loss for the year	—	—	(11,729)	(11,729)
Premium on share issue	5,746	—	—	5,746
Share option compensation charge	—	—	1,058	1,058
At 31 December 2000 and at 1 January 2001	34,369	—	(25,142)	9,227
Loss for the year	—	—	(3,455)	(3,455)
Premium on share issue	2,082	—	—	2,082
At 31 December 2001 and at 1 January 2002	36,451	—	(28,597)	7,854
Premium on share issue	89	—	—	89
Share issuance costs	(252)	—	—	(252)
Loss for the year	—	—	(23,371)	(23,371)
At 31 December 2002	36,288	—	(51,968)	(15,680)

Merger reserve

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

30 Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements amounted to £Nil at 31 December 2002 (31 December 2001: £Nil, 31 December 2000: £Nil).

31 Financial commitments

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

	2002 £'000		2001 £'000		2000 £'000	
	Land and Buildings		Land and Buildings		Land and Buildings	
	Group	Company	Group	Company	Group	Company
Expiring between two and five years inclusive	19	—	112	—	44	—
Expiring in over five years	604	274	668	274	686	168
	623	274	780	274	730	168

(b) The Company operates a group arrangement with its bankers for all UK group companies such that all balances are drawn down each night into one bank account. There is a right of set off between all the UK Group's bank accounts and each company cross guarantees every other company within the UK Group. At 31 December 2002 there was no potential liability under this arrangement (2001: £Nil, 2000: £Nil).

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

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

	Land and Buildings £'000 Group	Land and Buildings £'000 Company
2003	623	274
2004	623	274
2005	623	274
2006	613	274
2007	613	274
	3,095	1,370

Minimum payments under non-cancellable operating leases for the years 2008 and beyond are £1,978,000 (Company: £1,318,000) which are for land and buildings.

(1) No new leases were signed during 2002.

(2) On October 15, 2001 the Group acquired a six year lease, with an option for a further six years, on office premises in San Francisco, California. The rental is £225,000 per annum and increases after three years in line with the Consumer Price Index. Rent expense for the year 2001 was £47,000.

(3) On April 27, 2001 the Company acquired a nine year lease for premises in London, UK. The rental is £105,500 per annum and is subject to review in 2005. Rent expense for 2001 was £70,000.

(4) Further consideration may become payable upon completion of certain milestones in relation to product rights acquired in 2000 (see notes 17 and 38).

32 Contingent liabilities

As shown in note 25, during 2000 the Company established a provision relating to the termination of certain contracts not assigned on disposal of the transdermal business. During 2001 and 2002 this provision has been fully utilised or released and at 31 December 2002 the directors consider the possibility of future liabilities arising in connection with these contracts remote.

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

33 Reconciliation of net cash flow to movement in net debt

	2002		2001		2000	
	£'000	£'000	£'000	£'000	£'000	£'000
(Decrease)/increase in cash in the period	(5,498)		19,222		627	
Cash outflow/(inflow) from decrease/(increase) in borrowings	1,720		(29,263)		97	
Cash outflow/(inflow) from decrease in current asset investments	—		(10,020)		9,778	
Change in net debt resulting from cash flows		(3,778)		(20,061)		10,502
Other non-cash items		(7,590)		—		—
Foreign exchange differences on borrowings		(6,300)		(112)		(657)
Conversion of debt to equity		—		419		—
Mark to market of current asset investments		(44)		—		267
Movement in net debt in the period		(17,712)		(19,754)		10,112
Net debt at 1 January		(14,868)		4,886		(5,226)
Net debt at 31 December		(32,580)		(14,868)		4,886

34 Analysis of net debt

	At 31 December 1999	Cash flow	Other non cash changes	At 31 December 2000	Cash flow	Other non cash changes	At 31 December 2001	Cash flow	Other non cash changes	At 31 December 2002
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	994	354	—	1,348	19,340	—	20,688	(5,616)	—	15,072
Overdrafts	(273)	273	—	—	(118)	—	(118)	118	—	—
	721	627	—	1,348	19,222	—	20,570	(5,498)	—	15,072
Debt due after one year	(336)	—	(5,930)	(6,266)	1,493	307	(4,466)	—	(18,208)	(22,674)
Debt due within one year	(5,278)	5	5,273	—	(30,919)	—	(30,919)	1,600	4,473	(24,846)
Finance leases due after one year	(247)	—	153	(94)	—	94	—	—	(120)	(120)
Finance leases due within one year	(105)	92	(153)	(166)	163	(94)	(97)	120	(35)	(12)
	(5,966)	97	(657)	(6,526)	(29,263)	307	(35,482)	1,720	(13,890)	(47,652)
Current asset investments	19	9,778	267	10,064	(10,020)	—	44	—	(44)	—
Total	(5,226)	10,502	(390)	4,886	(20,061)	307	(14,868)	(3,778)	(13,934)	(32,580)

35 Major non-cash transactions

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

During 2001, an unsecured loan with an outstanding amount of £419,000 repayable on 30 June 2005, bearing 11% interest was converted into 100,000 ordinary £1 shares.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

36 Pensions

The Company operates a number of defined contribution money purchase pension schemes for certain eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions paid and payable by the Company to the fund and amounted to £233,000 (year to 31 December 2001: £155,000, year to 31 December 2000: £153,000). At the year end there was a prepaid amount of £Nil (31 December 2001: £1,000, 31 December 2000: £Nil).

37 Post balance sheet events

Subsequent to the end of the year, the Company has raised £12,882,000 of additional funds through the issue of 6,093,728 of new ordinary shares at $3.4785 per share. The proceeds together with cash on hand at the year end were partially utilised to repay the following amounts to Elan Pharma International Limited ("EPIL"), a related party:

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

EPIL also agreed to further defer the instalments under the loan by one year with $10 million now due September 2004 (originally 2003) and $15 million September 2005 (originally 2004). EPIL also agreed to waive three quarterly instalments for the purchase of Permax totalling $7.5 million (see note 38).

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

38 Related party transactions

A. Elan

During the years ended 31 December 2000, 2001 and 2002, the Company entered into certain contracts with Elan Corporation plc, ("Elan"), which is also a significant shareholder. The directors consider that transactions with Elan have been entered into on an arms length basis. Details of transactions involving Elan are given below.

1. Unsecured loans

On 6 April 2000 amounts of £1,241,000 (US$2,000,000) in respect of unsecured loans were converted into 4,000,000 ordinary shares of 10 pence each, and £1,240,000 (US$2,000,000) was renegotiated to bear interest at 2% above base rate from that date. The interest up to that date was deemed to be £62,000 (US$101,000). The outstanding loan originally repayable on 6 April 2003, was repaid during the year ended 31 December 2001.

2. Sale of transdermal business

During 1999, the Group sold its transdermal patch business to Elan Pharma International Limited ("EPIL") a wholly owned subsidiary of Elan.

As of 31 December 2000, EPIL elected not to assume any licensing and development agreement rights relating to this business. Therefore, the Company remained obligated to perform these contracts. Since the Company no longer intended to operate a transdermal patch business, EPIL had agreed to assist the Company in seeking to terminate such agreements or transfer them to licensees. Given the uncertainty over the Company's ability to terminate or transfer all contracts successfully (as it requires the consent of each

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

counterparty to do so), the Company took an exceptional charge in 2000 of £2,108,000 to cover the estimated cost to terminate its obligations under these contracts.

To the extent the Company provides future services on the one remaining contract the Company is dependent upon Elan or, in their place, the Company would be required to find another party willing to undertake this commitment to provide such services. During 2001 the provision was partially utilised and partially released to the profit and loss account. With the exception of one contract, by the end of 2002 the Company had negotiated the termination of its obligations under these arrangements and the remaining provision of £669,000 was released to the profit and loss under discontinued activities.

Following the decision taken by Elan not to assume the licensing and development contracts, the Company became entitled to certain licensing and development revenues in connection with the discontinued transdermal business. £3,743,000 of license and development revenues were recognised during 2000. All direct and operating costs incurred in connection with this revenue totalling £1,160,000 were charged by Elan to the Company during 2000 and this was reflected in the results of the discontinued operation. In light of the sale of the transdermal business the Company no longer had the facilities and staff to service its obligations under transdermal contracts.

3. Acquisition of product portfolio and matters related to those products

a) Unsecured loan

On 6 April 2000, the Company entered into an agreement to convert a loan, representing part of the consideration to purchase certain product rights from Elan, into equity. On conversion the Company would have made a cash payment of US$150,000, issue 870,000 preference shares and 4,000,000 ordinary shares to a subsidiary of Elan. Although agreed, this conversion never occurred. At 31 December 2002 and 2001 the loan of US$6,500,000 was still outstanding (see Note 24).

b) Sales and Purchases with Elan

During the year ended 31 December 2001, the Group made sales to Elan companies amounting to £687,000 (US$1,000,000) for goods, services and research. During the year ended 31 December 2002, the Group made sales to Elan companies amounting to £621,000 (US$1,000,000) for goods, services and research. The Group also purchased services amounting to £155,000 (US$250,000) in 2002.

c) Withdrawal from the market of certain products

On 6 November 2000, the US Food and Drug Administration (“FDA”) issued a warning regarding all decongestant products containing the active ingredient phenylpropanolamine (“PPA”), and initiated steps to remove these products from the marketplace. The Company accepted returns through 31 December 2001, of £893,000 (US$1,299,000). During 2002, PPA returns were £327,000 (US$526,000). A decision was taken in early 2001 to accept returns in certain circumstances even where customers did not have legal right of return. The Company accounts for these returns as part of operating expense. Elan made a contribution to the Company of US$500,000 to cover PPA returns during the year ended 31 December 2000. This contribution was offset against the cost of PPA product returns.

4. Permax

During 2002 the Company exercised a purchase option to acquire the remaining U.S. rights to Permax (pergolide mesylate) from Elan. Following the close of the transaction, the Company replaced Elan as the exclusive licensee for Permax in the United States. The Company obtained the purchase option as a part of its marketing, sales and distribution agreement with Elan, signed in 2001.

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

In 2001 the Company made an initial payment of US$47.5 million to Elan (of which $45 million was represented by a loan note and remains outstanding at 31 December 2002). Following the exercise of its $37.5 million option referred to above, the Company has made further payments totalling US$10 million during 2002 and $27.5 million remained outstanding at 31 December 2002 as disclosed in Note 24. In addition, the Company paid royalties to Elan of between 3.0% and 3.5% on US net sales of Permax in 2002 and will pay royalties to Elan of 10% on US net sales of Permax thereafter. In addition, the Company has received contributions from Elan towards the cost of product returns relating to sales made prior to the Company's acquisition of the Permax sales rights. If net sales of Permax in 2003 and 2004 exceed specified dollar amounts, the Company will be required to pay Elan a percentage of the amount by which net sales exceed such levels. Conversely, if net sales in 2003 and 2004 fall below the specified levels, the Company will be entitled to credit against future royalties payable to Elan a percentage of the amount by which net sales fall short of such levels.

During 2002, the Group recorded a one-time impairment charge of £23,796,000 in relation to the value of the Permax intangible fixed asset following the introduction of generic competition. The charge was calculated in accordance with FRS11 (UK GAAP) "Impairment of Fixed Assets and Goodwill" and also meets the requirements of FAS144 (US GAAP) "Accounting for Impairment and disposal of Long-Lived assets". As prescribed in FRS11 the launch of a generic is a "trigger" event that necessitates, where appropriate, a revision of the carrying value of the intangible.

5. Restructuring of Elan Loan

In July 2002 the Company restructured its US$45 million loan from Elan originally scheduled for repayment in full on 30 September 2002. Under the revised payment schedule, the loan was to be repaid in four installments of US$2.5 million, US$17.5 million, US$10 million and US$15 million, beginning in the third quarter of 2002. The loan was incurred in 2001 as part of the Company's acquisition of marketing and purchase option rights to Permax. These loan obligations were further restructured in January 2003 (see below). As part of the debt restructuring agreement with Elan, the Company received a waiver of its obligation to make debt repayments due 31 December 2002.

6. Restructuring of Elan Obligations

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

a) Loan Agreement

The Company paid $2,459,880 in cash out of its cash reserves to EPIL as interest accrued on its $42.5 million interest bearing loan from Elan to 16 January 2003. The Company's loan agreement with Elan was varied so that the installments of the loan were rescheduled as follows:

(1) the $10 million due and payable on 30 September 2003, together with accrued interest, became due and payable on 30 September 2004; and

(2) the $15 million due and payable on 30 September 2004, together with accrued interest, became due and payable on 30 September 2005.

In accordance with the terms of the loan agreement, on 16 January 2003 the Company paid $17.5 million to Elan that was previously due on 31 December 2002.

b) Permax

The Company paid $8,641,387 to Elan Pharmaceuticals, Inc. in discharge of the current outstanding balance relating to Permax inventory.

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

The Amended and Restated Distribution and Option Agreement, dated 28 September 2001, between Elan Pharmaceuticals, Inc. and the Company was amended so that the deferred consideration for Permax payable by way of quarterly installments of $2.5 million was reduced by $7.5 million.

c) Zelapar

The option agreement dated 18 June 2001 and made between the Company and EPIL was amended so that the first sales milestone payable by the Company to EPIL became $17.5 million rather than $12.5 million. The Company also agreed to pay approved reasonable and verifiable out-of-pocket costs incurred by Elan after 31 December 2002 in respect of any further development costs incurred for Zelapar. One-half of the Company's or EPIL's out-of-pocket costs paid by the Company under this arrangement will be credited (up to $5 million) against the $17.5 million first milestone payable under the option agreement.

The option agreement was varied so that EPIL shall be at liberty to reclaim the rights to Zelapar where such rights have been previously transferred to the Company if the Company either:

- materially breaches the terms of any agreement between the Company and any member of the Elan group of companies and the Company fails to remedy such breach within 90 days of receiving written notice of such breach; or
- becomes insolvent.

The option agreement was also varied so that the Company is at liberty to defer $8 million of the $10 million payable by it on exercise of the option to a period not later than the later of the exercise of the option and 30 September 2003. In consideration of such deferral, the Company is obligated to pay $2.25 million to EPIL upon closing of the option to make a total option payment of $10.25 million rather than $10 million as had previously been the case. Alternatively, the Company can pay $10 million on closing of the option as had previously been the case. This variation had been sought by the Company to provide the Company with more flexibility going forward.

d) Elan Equity Stake in Amarin

In March 2002, Elan converted 2,129,819 preference shares into an equivalent number of ordinary shares. Effective February 2003, Elan converted 2,000,000 preference shares into 2,000,000 ordinary shares. Elan has the right to include these shares, together with its remaining 2,653,819 ordinary shares and ADS in a registration statement filed by the Company.

Elan agreed with the Company that until October 1, 2003, Elan would not sell, transfer or otherwise dispose of any of the ordinary shares, ADSs or preference shares currently held by it; provided that Elan is not prevented from:

- converting preference shares into ordinary shares;
- accepting any offer made to all holders of the Company's ordinary shares to acquire all or part of the issued ordinary share capital of the Company;
- transferring any securities to a subsidiary or holding company of such shareholder; or
- selling ordinary shares or ADSs where the purchaser enters into a written agreement confirming its intention to hold such ordinary shares for a period ending not earlier than 30 September 2003 and the per share sale price of such ordinary shares is not less than 90% of the closing sale price of the Company's ADS's on NASDAQ for the five trading days immediately prior to the date of such sale.

Elan has additional registration rights that are based on rights it acquired in 1998. These include the right to demand further registrations of its ordinary shares and ADSs. Such a registration may, at Elan's request, involve an underwritten offering, which Elan could commence at any time after 1 January 2004 if it

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

includes in such offering at least 1,000,000 ordinary shares and ADSs and determines in good faith that such an underwritten offering is in its best economic interest.

e) Additional Amarin Obligations to Elan

As part of its ongoing asset disposal program, subject to the fiduciary obligations of its directors, the Company agreed with Elan to use the Company's commercial best efforts to sell all or substantially all of its primary care portfolio and Amarin AB, in each case as expeditiously as is reasonably practicable and for a reasonable sum. The Company agreed with Elan to apply the net proceeds from such sale or sales as follows:

- $5 million will be payable to Elan, which amount would, if paid, be credited against the Zelapar milestone of $17.5 million referred to above;
- prepayment of remaining Permax deferred payments due under the Permax agreement; and
- prepayment of the $6.5 million loan due to Elan Pharmaceuticals, Inc. relating to the Carnrick group of products acquired from Elan Pharmaceuticals, Inc. in September 1999;
- prepayment of all sums then due under the loan agreement;
- payment of any additional amounts due Elan and its affiliates; and
- if there is any remainder, applied in the Company's sole discretion.

Elan has the right, in its sole discretion, to redirect the order in which the net proceeds of any such sales are applied as between the uses set out above. Additionally, after having paid the first $35 million of the net proceeds of any sale in the manner set out above, the Company may at its option defer payment of 50% of any balance due to Elan for a period of six months from the closing of such sale or sales.

7. Approval of Transactions with Elan

All of the above transactions were approved in accordance with the Company's policy for related party transactions. The Company's policy in 2002 was to require audit committee review of all transactions involving a potential conflict of interest, followed by the approval of a majority of the directors who do not have a material interest in the transaction.

8. Mr Ziegler

On 10 December 1999, S A Ziegler became a director of the Company and was a partner of Ziegler, Ziegler and Altman LLC, Counsellors at Law in the United States who provided professional services to the Group in the sum of £252,000 during the year ended 31 December 2001 (year ended 31 December 2000: £202,000.

Mr Ziegler resigned as a director of the Company on 29 May 2001 and is no longer considered to be a related party. At 31 December 2001 a balance of £90,000 (US$113,000) (31 December 2000: £Nil) was outstanding.

39 Differences between UK GAAP and US GAAP

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

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

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

1. Net (loss)/income

	Note	Year Ended 31 December 2002	Year ended 31 December 2001	Year ended 31 December 2000
		£'000	£'000	£'000
Net (loss)/profit in accordance with UK GAAP		(23,012)	(3,269)	1,700
Adjustment for treatment of goodwill	A	—	—	(19)
Adjustment for gain/(loss) on securities available-for-sale	C	9	(5)	—
Adjustment for stock-based compensation and National Insurance	F	1,041	(987)	108
Adjustment for treatment of intangible fixed asset	I	517	408	(3,860)
Adjustment for revenue recognition	J	70	60	106
Gain on extinguishment of a trade creditor	K	—	—	(759)
Imputed interest on non-interest bearing debt	L	(290)	(268)	(414)
Accrual for PPA returns	M	—	336	(336)
Reversal of transdermal accrual	N	(233)	—	233
Adjustment for revenue recognition	P	(216)	—	—
Adjustment to Permax purchase consideration	Q	1,333	—	—
Net loss as adjusted to US GAAP		(20,781)	(3,725)	(3,241)
		£	£	£
US GAAP net loss per ordinary share (assuming dilution)		(2.24)	*(0.52)	*(0.82)
US GAAP net loss per ordinary share (basic)		(2.24)	*(0.52)	*(0.82)

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

	Note	31 December 2002	31 December 2001	31 December 2000
		'000	'000	'000
Shares used in computing per ordinary share amounts assuming dilution	H	11,896	*12,035	*8,609
Shares used in computing per basic ordinary share amounts	H	9,297	*7,125	*3,953

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

2. Shareholders' equity

	Note	31 December 2002	31 December 2001	31 December 2000
		£'000	£'000	£'000
Shareholders' equity in accordance with UK GAAP		(3,856)	20,372	20,846
Adjustment for gain/(loss) on securities available-for-sale	C	4	(5)	—
Adjustment for National Insurance on stock options	F	31	77	53
Adjustment for treatment of intangible fixed asset	I	(2,935)	(3,452)	(3,860)
Adjustment for revenue recognition	J	(383)	(453)	(513)
Imputed interest on non-interest bearing debt	L	279	569	837
Accrual for PPA returns	M	—	—	(336)
Reversal of transdermal accrual	N	—	233	233
Adjustment for preferred dividend	O	324	248	124
Adjustment for revenue recognition	P	(216)	—	—
Adjustment to Permax purchase consideration	Q	1,333	—	—
Shareholders' equity in accordance with US GAAP		(5,419)	17,589	17,384

Notes:

A) Treatment of goodwill

Historically, UK GAAP permitted goodwill arising on acquisition to be charged directly to retained earnings in the year of acquisition. For the year ended 31 December 2000, US GAAP required goodwill to be capitalised and amortised to income over the period of expected benefit.

B) Disclosures related to deferred taxes

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

C) Treatment of marketable equity securities

Under UK GAAP investments (including listed investments) held on current and long-term basis are stated at the lower of cost or estimated fair value, less any permanent diminution in value. Under US GAAP the carrying value of our marketable equity securities is adjusted to reflect unrealized gains and losses resulting from movements in the prevailing market value. During 2002, the value of our current asset investments was written off to zero under UK GAAP and to the current market value under US GAAP.

Under US GAAP the fair value of current asset investments was £4,000, £39,000 and £44,000 for the periods ended December 31, 2002, 2001 and 2000, respectively.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

D) Consolidated statement of cash flows

The consolidated statement of cash flows prepared in accordance with UK GAAP, Financial Reporting Standard No. 1 and presents substantially the same information as that required under US GAAP. Under US GAAP, however, there are certain differences from UK GAAP with regard to classification of items within the cash flow statement.

Under UK GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, and financing activities. Under US GAAP, however, only three categories of cash flow activity are reported, being operating activities, investing activities and financing activities. Cash flows from taxation and payments for interest would be included as operating activities under US GAAP. The financing proceeds and debt repayments would be included under financing activities under US GAAP. Additionally the cashflow represents only the change in cash and cash equivalents which would exclude overdrafts under US GAAP.

Set out below, for illustrative purposes, is a summary consolidated statement of cash flows under US GAAP:

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£'000	£'000	£'000
Net provided by operating activities	3,469	10,912	3,761
Net cash (used in)/ provided by investing activities	(7,118)	(33,496)	601
Net cash (used in)/ provided by financing activities	(1,967)	31,904	6,285
Net (decrease)/ increase in cash and cash equivalents	(5,616)	9,320	10,647
Cash and cash equivalents at the beginning of the year	20,688	11,368	721
Cash and cash equivalents at the end of the year	15,072	20,688	11,368
Net (decrease)/increase in cash and cash equivalents	(5,616)	9,320	10,647

There is no significant effect of foreign exchange movements on cash balances.

E) Discontinued operations

In the years ended 31 December 2000 and 2001, the transdermal patch business has been classified as discontinued operations under UK GAAP and the comparatives restated to reflect this. Under US GAAP this would have been shown as continuing operations. During 2002, a restructuring provision relating to the transdermal patch business disposal was released giving rise to a gain to the results for the year.

F) Stock-based compensation and National Insurance

Under UK GAAP the Company has recorded a provision for £31,000 (31 December 2001: £77,000, 31 December 2000: £53,000) relating to National Insurance ("NI") amounts payable on stock option gains at the time of grant. Under UK GAAP NI contributions are accrued over the vesting period of the underlying option. Under US GAAP payroll taxes on stock options are accrued when the liability is incurred.

The Company has re-priced certain stock options issued to directors and employees. Under US GAAP these have been accounted for using variable plan accounting as directed by FIN 44, leading to an increased in net income of £1,087,000 in 2002 (2001: decrease of £1,011,000 in net income).

In 2002, the Company accelerated the vesting of 6,100 options held by terminated employees. This modification has been considered a re-pricing and will be accounted for using variable accounting. The impact of this in 2002 was minimal.

Notes to the financial statements for the three years ended 31 December 2000, 2001 and 2002 — (Continued)

The Company applies APB Opinion No. 25 and related interpretations in accounting for its US share option plans. Had compensation for the Company's share option plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, the Company's net (loss) and net (loss) per share under US GAAP would have been reduced to the pro forma amounts indicated below:

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£'000	£'000	£'000
Net (loss) as reported	(20,781)	(3,725)	(3,241)
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(2,300)	(3,154)	1,687
Add back total stock based compensation expense determined under the intrinsic value based method	(1,087)	1,011	1,058
Proforma net (loss)	(24,168)	(5,868)	(496)
	£	£	£
Basic and diluted (loss) per ordinary share as reported	(2.24)	(0.52)	(0.82)
Proforma	(2.60)	(0.80)	(0.20)
	£	£	£
Weighted average grant date fair value Options granted at the market price	4.04	5.00	2.70
Options granted at a premium to the market price	—	—	—
Options granted at a discount to the market price	—	9.70	4.20

The fair value for options granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions and no dividends.

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£'000	£'000	£'000
Options granted at the market price			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60
Options granted at a premium to the market price			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£'000	£'000	£'000
Options granted at a discount to the market price			
Risk free interest rate (percentage)	5.00	5.13	6.34
Expected life (in years)	4.00	3.52	1.20
Volatility (percentage)	100	60	60

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

G) Recently issued accounting standards

Exit and disposals

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (FAS 146). This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred and can be measured at fair value. The provisions of this Statement are effective prospectively for exit or disposal activities initiated after 31 December 2002. The Company does not expect this statement to have a material impact on the financial statements.

Guarantees

In November 2002, the FASB issued Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". The Interpretation expands on the accounting guidance of FAS 5, Accounting for Contingencies, FAS 57, Related Party Disclosures, and FAS 107, Disclosures about Fair Value of Financial Instruments, and incorporates without change the provisions of FIN 34, Disclosure of Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statement No. 5, which is being superseded. FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees, such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. FIN 45 will be effective to the Company on a prospective basis to guarantees issued or modified after 31 December 2002. The disclosure requirements in this Interpretation are effective for financial statements of periods ending after 15 December 2002. The standard has no material impact on the financial statements.

Variable interest entities

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46). Under that interpretation, certain entities known as "Variable Interest Entities" ("VIE") must be consolidated by the "primary beneficiary‘' of the entity. The primary beneficiary is generally defined as having the majority of the risks and rewards arising from the VIE. For VIE's in which a significant (but not majority) variable interest is held, certain disclosures are required. The measurement principles of this interpretation will be effective for the Company's 31 December 2003 financial statements. Amarin currently is evaluating its potential VIEs under FIN 46 but does not believe that it will be considered the primary beneficiary for any such entities or that it will be required to disclose a significant interest in a VIE.

H) Earnings per share

	31 December		
	2002	2001	2000
	£	£	£
US GAAP net (loss) available to common stockholders	(20,781,000)	(3,725,000)*	(3,241,000)*
Basic weighted-average shares	9,297,216	7,124,275	3,953,084
Plus: Incremental share from assumed conversions Options	565,492	765,816	525,843
Warrants	33,750	14,925	182
Convertible preferred stock	2,000,000	4,129,819	4,129,819
Adjusted weighted-average shares	11,896,458	12,035,285	8,608,928

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

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

	Year Ended 31 December 2002	Year Ended 31 December 2001	Year Ended 31 December 2000
	£	£	£
Basic (loss) per share	(2.24)	(0.52)	(0.82)
Diluted earnings per share	α	α	α

α The dilutive effect of the Company's option, warrants and convertible preferred stock have been excluded as the impact would have been antidilutive for the periods indicated above. Please refer to Notes (28) and (27) for more information with regard to these securities. 290,000 shares were issued during 2000 upon the exercise of certain options. 7,598,133 shares were issued in 2001 upon the exercise of certain options. 34,000 were issued in 2002 upon the exercise of certain options.

I) Treatment of intangible fixed assets

Under UK GAAP pharmaceutical products which are in the clinical trials phase of development can be capitalized and amortized where there is a sufficient likelihood of future economic benefit. Under US GAAP specific guidance relating to pharmaceutical products in the development phase requires such amounts to be expensed unless they have attained certain regulatory milestones.

Under UK GAAP the Company has capitalised £2,935,000 at December 31, 2002 (December 31, 2001: £3,452,000, 31 December, 2000: £3,860,000) relating to LAX-10 and Zelapar both of which would have been expensed under US GAAP. In addition, the adjustment in 2002 includes a reversal of the impairment recognized under UK GAAP with respect to Moraxen which had been expensed when incurred under US GAAP.

J) Adjustment for revenue recognition

Under UK GAAP milestone payments have been recognized when achieved. Under US GAAP, the Company's adoption of SAB 101 resulted in a £619,000 cumulative adjustment in respect of its accounting for certain up-front payments and refundable milestone payments. This change increased sales £70,000, £60,000, £106,000 for the years ended 31 December, 2002, 2001 and 2000, respectively.

K) Gain on extinguishment of a trade payable

Under UK GAAP the Company has recognised a gain on the reversal of a third party payable by a related party as discussed in note 8. Under US GAAP the payment of a third party liability by a related party is considered a contribution to capital.

L) Imputed interest on non-interest bearing debt

In connection with the Company's acquisition of the product portfolio from Elan, the Company obtained a no interest bearing loan for a period of one year in the amount of £4,466,000 to fund the acquisition of such portfolio. Under UK GAAP the face value of the note is included in the fair value of the portfolio acquired. Under US GAAP the note payable and the product portfolio are recorded at the present value of amounts to be paid determined using an appropriate interest rate. The note payable is then accreted up to its face value over the term of the loan with a corresponding charge to interest expense.

In June 2000, the entire loan amount referred to above of £4,466,000 was extended for a period of approximately 4 years (see Note 24). Under UK GAAP there is no accounting impact as a result of the

Notes to the financial statements for the three years ended
31 December 2000, 2001 and 2002 — (Continued)

extension of the loan term. Under US GAAP the modification resulted in an extraordinary gain for fiscal 2000 of £1,251,000, computed as the difference between the face value of the loan and the present value of the amounts to be paid using the appropriate interest rate, which has been accounted for as a capital contribution from a related party. For US GAAP the loan will be carried at its present value and accreted up to its face value over the term of the loan with a corresponding charge to interest expense, accordingly a charge of £290,000 under US GAAP has been charged to interest expense for the year ended 31 December 2002 (31 December 2001: £268,000).

M) Accrual for PPA returns

Under UK GAAP the Company did not accrue for the estimated costs expected to be incurred during the year ended 31 December 2000. Under US GAAP the Company was required to accrue for the estimated costs of returns. During the year ended 31 December 2001 the accrual made under US GAAP has been utilised so no GAAP difference remains.

N) Reversal of transdermal accrual

Under UK GAAP the Company accrued for the estimated costs of terminating its transdermal contracts. Under US GAAP a portion of this amount relates to revenues reflected as deferred revenue under SAB 101. This accrual has now been utilised or released under UK GAAP during 2002, eliminating the reconciling difference.

O) Preference dividends

Under UK GAAP cumulative preferred dividends are accrued whether paid or not. Under US GAAP, preferred dividends are not accounted for until declared.

P) Revenue recognition

Under UK GAAP revenue is recognised on dispatch of goods. Under US GAAP revenue is recognised on delivery to the customer, when title is deemed to pass. Normally, there is an insignificant timing difference between dispatch and delivery to the customer and hence no adjustment is recorded. However, during the last week of December 2002, such a delay occurred and accordingly an adjustment of £216,000 was made in 2002 to reflect the profit element of sales (£457,000) recognised under UK GAAP but deferred under US GAAP. The associated adjustment to cost of sales would be £241,000.

Q) Adjustment to Permax purchase consideration

Under UK GAAP purchase consideration paid by means of a note payable is measured at its principal amount. Under US GAAP purchase consideration is measured by reference to the fair value of the liability assumed. At the date of the option exercise the fair value of our obligation to Elan was £1,909,000 lower than the face amount of the liability as determined by discounting future cash flows at US dollar LIBOR plus 4% being 5.66%.

As of December 31, 2002, the basis difference is eliminated as a result of the impairment recognized with respect to Permax and discussed elsewhere in these financial statements. However, as a result of the initial basis difference, impairment under US GAAP is £1,909,000 lower that that recognized under UK GAAP, partly offset by an additional £576,000 in interest recognised using the effective interest method.

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
1.1	Memorandum of Association of the Company*
1.2	Articles of Association of the Company*
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder (1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Company, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 25, 2002 among the Company, Citibank N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder (3)
2.4	Form of Ordinary Share certificate*
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3) (3)
2.6	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.*
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.*
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC (4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Company and the Purchasers named therein (4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Company and Laxdale Limited (5)
2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Company and the Purchasers named therein* (The Company entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.)
2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Company and the Purchasers named therein* (The Company entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Company*
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Company*
4.3	License Agreement, dated November 24, 2000, between the Company and Laxdale Limited (6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Company (7)
4.5	Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Company*
4.6	Lease, dated August 6, 2001, between the Company and LB Strawberry LLC (7)
4.7	Amended and Restated Distribution, Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Company (8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Company and the Company*†
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Company*

Exhibit Number	Description
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Company (7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Company (7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and the Company (7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Company (8)
4.14	Deed of Variation, dated July 19, 2002, amending certain provisions of the Loan Agreement between the Company and Elan Pharma International Limited*
4.15	Deed of Variation No. 2, dated December 23, 2002, between the Company and Elan Pharma International Limited*
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Company and Elan Pharma International Limited*
4.17	The Company 2002 Stock Option Plan (9)
4.18	Agreement Letter, dated October 21, 2002, between the Company and Security Research Associates, Inc.*
4.19	Agreement, dated January 27, 2003, among the Company, Elan International Services, Ltd. and Monksland Holdings B.V.*
4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Company*
4.21	Form of Warrant Agreement, dated March 19, 2003, between the Company and individuals designated by Security Research Associates, Inc.* (The Company entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement.)
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann — La Roche Ltd., Hoffmann — La Roche Inc. and the Company*†
8.1	Subsidiaries of the Company*
10.1	Certification of Richard A. B. Stewart pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
10.2	Certification of Ian R. Garland pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith

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

(1) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-1, File No. 33-58160, filed with the Securities and Exchange Commission on February 11, 1993.

(2) Incorporated herein by reference to Exhibit(a)(i) to the Company's Registration Statement on Post-Effective Amendment No. 1 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on October 8, 1998.

(3) Incorporated herein by reference to Exhibit(a)(ii) to the Company's Registration Statement on Post-Effective Amendment No. 2 to Form F-6, File No. 333-5946, filed with the Securities and Exchange Commission on September 26, 2002.

(4) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.

(5) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on February 22, 2001.

(6) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.

(7) Incorporated herein by reference to certain exhibits to the Company's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.

(8) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Pre-Effective Amendment No. 2 to Form F-3, File No. 333-13200, filed with the Securities and Exchange Commission on November 19, 2001.

(9) Incorporated herein by reference to certain exhibits to the Company's Registration Statement on Form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.

THE COMPANIES ACT 1985
PUBLIC LIMITED COMPANY

MEMORANDUM OF ASSOCIATION

OF

AMARIN CORPORATION PLC(1)

1. The Company's name is "AMARIN CORPORATION PLC"(2).

2. The Company is to be a public company.

3. The Company's registered office is to be situated in England and Wales.

4. The Company's objects are:-

(a) To carry on the business of a holding company in all its branches and to acquire by purchase, lease concession, grant, license or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interest, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist or participate in financial commercial, mercantile, industrial and other transactions, undertakings and businesses of every description and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account and to co-ordinate the policy and administration of any companies of which this company is a member or which are in any manner controlled by, or connected with the Company, and to carry on all or any of the businesses of capitalists, trustees, financiers, financial agents, company promoters, bill discount, insurance brokers and agents,

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(1) The name of the Company was changed from Lockgen Limited to Ethical Holdings Limited by Special Resolution passed on 5 September 1989, re-registered as a public limited company on 17 March 1993 and changed its name to Amarin Corporation Plc by Special Resolution passed on 8 December 1999.

mortgage brokers, rent and debt collectors, stock and share brokers and dealers and commission and general agents, merchants and traders; and to manufacture, buy, sell, maintain, repair and deal in plant, machinery, tools, articles and things of all kinds capable of being used for the purposes of the above mentioned businesses or any of them, or likely to be required by customers of or persons having dealings with the Company.

(b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the business of the Company.

(c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(d) To apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimentation upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(e) to acquire or undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company or for subsidising or otherwise assisting any such person, firm or company and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell mortgage and deal with any shares, debentures, debenture stock or securities so received.

(f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

(g) To invest and deal with the moneys of the Company not immediately required in such manner or as may from time to time be determined and to hold or otherwise deal with any investments made.

(h) To lend and advance money or give credit on any terms and with or without security to any person firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts or indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security, to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.

(k) To apply for, promote, and obtain any Act of Parliament, order or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(l) To enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conductive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.

(m) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with the dispose of, place and underwrite shares, stocks debentures, debenture stocks, bonds, obligations or securities, issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

(n) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest to provide secretarial administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any business or operations of or generally with respect of any such company or companies.

(o) To promote any other company for the purpose of acquiring the whole or any part of the business or property of undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

(p) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

(q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

(r) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

(s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

(t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society or club which may be for the benefit of the Company or its directors or employees or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company or of any such subsidiary, holding or fellow subsidiary of the Company or the predecessors in the business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance: and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(u) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.

(v) To distribute among the Members of the Company in kind any property of the Company or whatever nature.

(w) To procure the Company to be registered or recognised in any part of the world.

(x) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise and by or through agents, brokers, sub-contractors or otherwise and either alone or in connection with others.

(y) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them

AND so that:-

(1) None of the objects set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such object and one of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.

(2) None of the sub-clauses of this clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause and the company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this clause as though each sub-clause contained the objects of a separate Company.

(3) the word "Company" in this clause except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(4) in this clause the expression "the Act" means the Companies Act 1985, but so that any reference in this clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

5. the liability of the Members is limited.

6. The Company's authorised share capital is (2) Pounds Sterling 55,000,000 divided into 50,000,000 ordinary shares of Pounds Sterling 1 each and 5,000,000 3 per cent. cumulative convertible preference shares of Pounds Sterling 1 each.

We, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares opposite our respective names.

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(2)Notes

(a) On incorporation the authorised share capital of the Company was Pounds Sterling 1,000 divided into 1,000 Ordinary Shares of Pounds Sterling (1) each.

(b) The authorised share capital of the Company was increased to Pounds Sterling 411,268 by the creation of an additional 18,062 Ordinary Shares of Pounds Sterling 1 each, 11,735 "A" Ordinary Shares of Pounds Sterling 1 each, 375,050 11% Cumulative Redeemable Preference Shares of Pounds Sterling 1 each and 5,421 8% Convertible Redeemable Preference Shares of Pounds Sterling 1 each by Special Resolution passed on 5 December 1989.

(c) The authorised share capital of the Company was increased to Pounds Sterling 413,618 by the creation of an additional 2,350 Ordinary Shares of Pounds Sterling 1 each by Special Resolution passed on 2 April 1990.

(d) The authorised share capital of the Company was increased to Pounds Sterling 414,218 by the creation of an additional 600 Ordinary Shares of Pounds Sterling 1 each by Special Resolution passed on 8 June 1990.

(e) The authorised share capital of the Company was increased to Pounds Sterling 420,814 by the creation of an additional 6,596 Ordinary Shares of Pounds Sterling 1 each by Special Resolution passed on 11 February 1992.

(f) The authorised share capital of the Company was increased to Pounds Sterling 425,166 by the creation of an additional 4,352 Ordinary Shares of Pounds Sterling 1 each by Special Resolution passed on 13 August 1992.

(g) The authorised share capital of the Company was increased to Pounds Sterling 1,500,000 by the creation of an additional 1,074,834 Ordinary Shares of Pounds Sterling 1 each by Special Resolution passed on 8 March 1993.

(h) With effect from 7 April 1993 each 8% Convertible Redeemable Preference Share and each "A" Ordinary Share was converted into one Ordinary Share of Pounds Sterling 1 and each Ordinary Share of Pounds Sterling 1 was converted into 10 Ordinary Shares of 10p each.

(i) On 8 April 1993 all the outstanding 11% Cumulative Redeemable Preference Shares were redeemed and the share capital available for issue in consequence of such redemption became Ordinary Shares of 10p each.

(j) The authorised share capital of the Company was increased to Pounds Sterling 5,000,000 divided into 50,000,000 Ordinary Shares of 10p each by Special Resolution passed on 25 March 1994.

(k) The authorised share capital of the Company was increased to Pounds Sterling 55,000,000 divided into 500,000,000 ordinary shares of 10p each and 5,000,000 3 per cent. cumulative convertible preference shares of Pounds Sterling 1 each by Special Resolution passed 8 December 1999.

(l) The 500,000,000 ordinary shares of 10 pence of the Company were consolidated and divided into 50,000,000 ordinary shares of Pounds Sterling 1 each by Ordinary Resolution passed 19 July 2002

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on 3 June 1997 and amended by Special Resolution passed on 8 December 1999)

- of -

AMARIN CORPORATION PLC(1)

(Incorporated 1st March 1989)

- ----------
(1) Name changed from Ethical Holdings Plc by Special Resolution passed on 8 December 1999

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

AMARIN CORPORATION PLC(2)

(Adopted by a Special Resolution passed on 3 June 1997)

PRELIMINARY

1. The regulations in Table A set out in the Companies Table (A-F) Regulations 1985 shall not apply to the Company.

INTERPRETATION

2. In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column.

MEANINGS

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(2) Name changed from Ethical Holdings Plc by Special Resolution passed on 8 December 1999

"Acts"	The 1985 Act and every other statute for the time being in force concerning companies and affecting the Company.
"these Articles"	These Articles of Association in their present form or as from time to time altered.
"Auditors"	The auditors of the Company from time to time.
"Board"	The Board of Directors of the Company or the Directors present at a Meeting of the Directors at which a quorum is present.
"clear days"	In relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"debenture"	shall include debenture stock and "debenture holder" debenture stockholder respectively.
"Executive Director"	A Managing Director, Joint Managing Director, or Assistant Managing Director of the Company or a Director who is the holder of any other employment or executive office with the Company.
"Member"	A Member of the Company.
"1985 Act"	The Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
"Office"	The registered office for the time being and from time to time of the Company.
"Ordinary Shares"	Ordinary shares of Pound Sterling 1 each in the capital of the Company.
"paid up"	Paid up or credited as paid up.
"Register"	The Register of members of the Company.
"Regulations"	The Uncertificated Securities Regulations 1995 (SI 1995 No 95/3272) including any modification thereof or any regulations in substitution therefor made under Section 207 of the Companies Act 1989 and for the time being in force.
"Seal"	The common seal (if any) of the Company or any official seal that the Company may be permitted to have under the Acts.

"Secretary"	Includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary.
"Stock Exchange"	London Stock Exchange Limited.

References in these Articles to writing include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form.

Reference in these Articles to a share (or a holding of shares) being in uncertificated form or in certificated form shall be references respectively to that share being an uncertificated unit of a security or a certificated unit of security.

A dematerialised instruction shall be properly authenticated if it complies with the specifications referred to in paragraph 5(b) of Schedule 1 to the Regulations.

Words denoting the singular number shall include the plural number and vice versa; words denoting the masculine gender shall include the feminine gender; words denoting persons shall include corporations.

References to any statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force.

Save as aforesaid words and expressions defined in the Acts or the Regulations will bear the same meaning in these Articles if not inconsistent with the subject in the context.

Where, for any purpose, an ordinary resolution of the Company is required a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.

BUSINESS

3. Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Company at such a time as the Board shall consider appropriate, and, further, may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

SHARE CAPITAL(3)

4. The share capital of the Company at the date of adoption of this article is Pound Sterling55,000,000 divided into 50,000,000 Ordinary Shares and 5,000,000 3 per cent cumulative convertible preference shares of Pound Sterling1 each. The rights and restrictions attaching to the said preference shares are set out in the appendix forming part of these Articles.

ALTERATION OF CAPITAL

5. Subject to the special rights of the holders of any particular class in the capital of the Company, the Company may from time to time by ordinary resolution:

   (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution prescribes;

   (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

   (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled;

   (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Acts), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares.

6. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under Article 5(b) and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by an irregularity or invalidity in the proceedings relating to the sale.

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(3) Article 4 adopted in substitution of former Article 4 by Special Resolution passed on 8 December 1999

7. The Company may from time to time by special resolution subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.

SHARE RIGHTS

8. Subject to any special rights conferred on the holders of any shares or class of shares and the Acts, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions as the Company may by ordinary resolution determine. The Company shall, if required in accordance with section 128 of the 1985 Act, within one month after allotting shares deliver to the Registrar of Companies a statement in the prescribed form containing particulars of special rights.

9. Subject to the Acts, any shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption will be provided for by alteration of these Articles.

10. Subject to the Acts, the Company may purchase in any manner the Board considers appropriate any of its own shares of any class (including redeemable shares) at any price and any shares to be so purchased may be selected by the Board in any manner whatever Provided that if there are in issue any securities of the Company which are listed on the Official List of the Stock Exchange and are convertible into equity share capital of the class proposed to be purchased the Company shall not exercise such powers without the sanction of an extraordinary resolution passed at a separate meeting of the holders of each class of such securities unless the terms of issue of such securities include provisions permitting the Company to make such purchases.

11. Save as expressly permitted by sections 151 to 154 of the 1985 Act the Company shall not give financial assistance, whether directly or indirectly, for the purposes of the acquisition of any shares in the Company or its holding company (if any) or for reducing or discharging any liability incurred for the purpose of any such acquisition.

MODIFICATION OF RIGHTS

12. Subject to the Acts and the special rights attaching to any class of shares, all or any of the special rights for the time being attached to any class of shares may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall, mutatis mutandis, apply, but so that:

(a) the necessary quorum (other than at an adjourned meeting) shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class and at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of these Article(s) one holder present in person or by proxy may constitute a meeting;

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

(c) any holder of shares of the class present in person or by proxy may demand a poll.

13. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith but in no respect in priority thereto or by any reduction of the capital paid up thereon or by any purchase by the Company of its own shares.

SHARES

14. Any share may be issued in certificated or uncertificated form and converted from certificated form into uncertificated form and vice versa in accordance with the Acts or any subordinated legislation made from time to time under the Acts and the Directors shall have power to implement any arrangements they think fit in respect of shares in certificated form or uncertificated form and for the conversion of shares in certificated into uncertificated form and vice versa which accord with the Acts or such subordinate legislation.

15. The Directors with respect to fully paid up shares may issue warrants (hereinafter called "share warrants") stating that the bearer is entitled to the shares therein specified and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Directors may determine and from time to time vary the conditions upon which share warrants shall be issued and upon which a new share warrant or coupon shall be issued in the place of one worn out defaced or destroyed but no new share warrant or coupon shall be issued to replace one that has been lost unless it is proved to have been destroyed. The Directors may also determine and from time to time vary the conditions upon which the bearer of a share warrant shall be entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings and upon which a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares therein specified. Subject to such conditions and to these Articles the bearer of a share warrant shall be a member to the full extent. The holder of a share warrant shall hold such

warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant.

16. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Acts. Subject to the Acts, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

17. Unless ordered by a Court of competent jurisdiction or required by law, no person will be recognised by the Company as holding any share upon any trust and the Company will not be bound by or required in any way to recognise (even when having notice thereof) any interest in any share in or (except only as otherwise provided by these Articles or by law) any right in respect of any share except an absolute right to the entirety thereof in the registered holder.

18. Subject to the Acts and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES AND TITLE TO SHARES

19. Title to any shares may be evidenced otherwise than by a definitive share certificate in accordance with the Acts, the Regulations or any other subordinate legislation made from time to time under the Statutes and the Directors shall have power to implement such arrangements as they think fit for the evidencing of title to shares subject to compliance with the Acts, the Regulations and such other subordinate legislation. The Company shall enter on the Register, in respect of all shares registered in the name of each holder, the number of such shares which are in certificated form and uncertificated form respectively.

20. Every person whose name is entered as a holder of any shares of any class in certificated form in the Register is entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who has transferred part of the shares is entitled to a certificate for the balance without charge.

21. Every certificate will be:

(a) issued (in the case of an issue of shares) within one month (or such longer period as the terms of the issue provide) after allotment or (in the case of a transfer of fully paid certificated shares) within five business days after lodgment of a transfer with the Company, not being a transfer which the Company is for the time being entitled to refuse to register and does not register; and

(b) under the Seal or in such other manner as the Board may approve and will specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificate by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

22. If a share certificate is worn out, defaced, lost or destroyed it shall be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in the case of defaced or worn out certificates, on delivery of the old certificate to the Company.

LIEN

23. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable in respect of such share. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

24. Subject to these Articles the Company may sell, in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of the intention to sell in default, has been served on the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

25. The net proceeds of sale shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. For giving effect to any such sale the Board may authorise

some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.

CALLS ON SHARES

26. Subject to these Articles and to the terms of allotment the Board may make calls upon the Members in respect of any money unpaid on their shares (whether in respect of nominal amount or premium), and each Member shall (subject to being given at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by such notice the amount called on his shares. A call may be postponed or revoked in whole or in part as the Board determines.

27. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

28. A person upon whom a call is made will remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

29. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 percent per annum) as the Board may agree to accept together with all expenses that may have been incurred by the Company by reason of such non-payment, but the Board may waive payment of such interest and expenses wholly or in part.

30. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

31. Subject to the terms of allotment, on the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

32. The Board may receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate, which (unless the Company by Ordinary Resolution

otherwise directs) shall not exceed twelve percent per annum, as the Member paying such sum and the Board agree.

FORFEITURE OF SHARES

33. If a call or any instalment of a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen clear days' notice:

(a) requiring payment of the amount unpaid together with any interest which may have accrued;

(b) stating a place at which payment is to be made; and

(c) stating that if the notice is not complied with the shares on which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends before the forfeiture declared but not actually paid on the forfeited shares.

34. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice.

35. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, reference in these Articles to forfeiture will include surrender.

36. Until cancelled in accordance with the requirements of the Acts, a forfeited share will be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

37. A person whose share has been forfeited shall cease to be a Member in respect of it but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of his share, with interest thereon from the date of forfeiture until payment at such rate (not exceeding fifteen per cent per annum) as the Board determines. The Board may enforce payment without any allowance for the value of the forfeited share.

38. A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, or disposal of the share.

TRANSFER OF SHARES

39. Shares in uncertificated form may be transferred otherwise than by a written instrument in accordance with the Acts the Regulations or any other subordinate legislation made from time to time under the Acts and the Directors shall have power to implement such arrangements as they see fit for the transfer of such shares in compliance with the Acts the Regulations or such other subordinate legislation.

40. Subject to these Articles, any Member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any usual form or in any other form approved by the Board.

41. The instrument of transfer shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the Register in respect thereof.

42. The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register:

    (a) a transfer of any shares which are not fully paid shares, provided only that dealings in such shares are not prevented from taking place on an open and proper basis;

    (b) a transfer of a share on which the Company has a lien;

    (c) a transfer in favour of more than four persons jointly;

    (d) a transfer which relates to shares of more than one class;

    (e) a transfer which is not duly stamped, lodged at the Office, or at such other place as the Board may from time to time determine and accompanied by the certificate for the shares to which it relates, and such other evidence as the

Board may reasonably require to show the right of the transferor to make the transfer;

43. If the Board refuses to register a transfer of a share, it shall within two months after the date on which the transfer was lodged with the Company, or, in the case of uncertificated shares, within two months after the date on which the relevant Operator-instruction was received, send to the transferee notice of the refusal, as required by section 183(5) of the 1985 Act and the Regulations.

44. Subject to section 358 of the 1985 Act, the registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may determine in its absolute discretion.

45. No fee shall be charged for the registration of any transfer or other document or instruction relating to or affecting the title to any share, or for otherwise making any entry in the Register relating to any share.

46. All registered transfers will be retained by the Company, but all others shall (except in any case of fraud) be returned to the person depositing them.

TRANSMISSION OF SHARES

47. If a Member dies, the survivor or survivors, where the deceased was a joint holder, and his personal representatives, where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of any deceased member from any liability in respect of any share which had been jointly held by him.

48. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall notify the Company to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person.

49. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise in respect of any share any of the rights or privileges of a Member until he shall have become a Member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the

Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED MEMBERS

50. The Company may sell at the best price reasonably obtainable the certificated shares of a Member or the shares to which a person is entitled by means of transmission if and provided that:

(a) during a period of twelve years all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the Member at his registered address or to the person so entitled at the address shown in the Register as his address have remained uncashed; and

(b) during such period of twelve years the Company has declared and paid at least three dividends to the Members in accordance with their rights and interests; and

(c) the Company shall, at the end of such period of twelve years, advertise both in a leading national daily newspaper published in London and in a newspaper circulating in the area of the said address, giving notice of its intention to sell the said shares;

(d) during such period of twelve years and the period of three months following such advertisements the Company has had indication that such Member or person cannot be traced; and

(e) the Company has first given notice in writing to the Quotations Department of the Stock Exchange of its intention to sell such shares.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares. A statutory declaration in writing to the effect that the declarant is a Director or Secretary of the Company and that a share has been duly sold on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company shall account to the Member or other person entitled to such shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any moneys not accounted for to the Member or other person entitled to such shares shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of

the Company or its holding company, if any) as the Board may from time to time determine.

DISCLOSURE OF INTERESTS IN SHARES

51. Where any registered holder of any shares in the Company or any named person in respect of any shares in the Company fails to comply within fourteen days after service thereof with any notice (in this Article called a "statutory notice") given by the Company under section 212 of the 1985 Act requiring him to give particulars of any interest in any such shares, the Company may give the registered holder of such shares a notice (in this Article called a "disenfranchisement notice") stating or to the effect that such shares shall from the service of such disenfranchisement notice be subject to some or all of the following restrictions:

(a) that such shares shall confer on such registered holder no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the statutory notice has been complied with and such shares shall confer no right to attend or vote accordingly;

(b) that the Directors may withhold payment of all or any part of any dividend (including shares issued in lieu of dividend) on such shares; and

(c) that the Directors may decline to register a transfer of such shares or any of them unless such transfer is pursuant to an arm's length sale of the entire interest in such shares being a sale on a recognised investment exchange or on acceptance of a takeover offer or pursuant to any other sale which is in the reasonable opinion of the Directors at arm's length;

Provided that where such shares comprise less than 0.25% of the shares of any relevant class in issue at the date of the disenfranchisement notice such notice shall only impose the restrictions set out in paragraph (a) above.

For the purposes of this Article a "named person" means a person named as having an interest in the shares concerned in any response to any statutory notice served on the registered holder or on a person previously so named. A disenfranchisement notice may be cancelled by the Board at any time.

52. A disenfranchisement notice served pursuant to Article 51 shall cease to apply to any shares subject to such notice on the expiry of seven days from the earlier of:

(a) receipt by the Company of notice that such shares have been sold to a third party pursuant to an arm's length sale as specified in Article 51(c); and

(b) due compliance, to the satisfaction of the Company, with the statutory notice given in respect of such shares.

53. Any new shares issued in right of shares the subject of a disenfranchisement notice shall also be subject to such notice.

GENERAL MEETINGS

54. Each general meeting, other than an Annual General Meeting, will be called an Extraordinary General Meeting.

55. The Board may call General Meetings and, on the requisition of Members pursuant to the provisions of the Acts, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to form a quorum, any Director or any two Members may call an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

56. An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called on not less than twenty-one clear days' notice in writing. All other Extraordinary General Meetings may be called by not less than fourteen clear days' notice in writing but a General Meeting may be called by shorter notice if it is so agreed:

(a) in the case of a meeting called as an Annual General Meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the Meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of meeting, and the general nature of the business to be transacted. The notice convening an Annual General Meeting shall specify the Meeting as such. Notice of every general meeting shall be given to all Members other than such as, under the provisions of these Articles, or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company, and to all persons entitled to a share in consequence of the death or bankruptcy of a Member and to the Directors and the auditors.

57. The accidental omission to give notice of a Meeting or (in cases where instruments of proxy are sent out with the notice) to send such instrument of proxy to, or the non-

receipt of such notice or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that Meeting.

PROCEEDINGS AT GENERAL MEETINGS

58. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the appointment, choice or election of a Chairman which shall not be treated as part of the business of the Meeting. Save as provided in relation to an adjourned meeting, two Members entitled to vote at the meeting and present in person or by proxy or in the case of a corporation represented by a duly authorised officer shall be a quorum for all purposes.

59. If, within thirty minutes (or such longer time not exceeding one hour as the Chairman of the Meeting may determine to wait), after the time appointed for the Meeting a quorum is not present, the Meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If, at the adjourned meeting, a quorum is not present within fifteen minutes from the time appointed for the Meeting one person entitled to be counted in a quorum present at the Meeting shall be a quorum.

60. Notwithstanding that he is not a Member, each Director may attend and speak at any General Meeting and at any separate Meeting of the holders of any class of shares in the Company.

61. The Chairman (if any) of the Board or, in his absence, a deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or deputy Chairman or, if at any Meeting neither the Chairman nor a deputy Chairman is present within fifteen minutes after the time appointed for holding the Meeting, or if neither of them is willing to act as Chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as Chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be Chairman.

62. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the Meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall be unnecessary to give notice of an adjournment.

63. (a) In the case of any general meeting the Directors may, notwithstanding the specification in the notice of the place of the general meeting (the "principal place") at which the chairman of the meeting shall preside, make arrangements for simultaneous attendance and participation at other places by Members and proxies entitled to attend the general meeting but excluded from the principal place under the provisions of this Article.

(b) Such arrangements for simultaneous attendance at the meeting may include arrangements regarding the level of attendance at places other than the principal place provided that they shall operate so that any Member and proxy excluded from attendance at the principal place is entitled to attend at one of the other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the principal place.

(c) The Directors may, for the purpose of facilitating the organisation and administration of any general meeting to which such arrangements apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all Members and proxies entitled to attend the meeting an equal opportunity of being admitted to the principal place) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in their place and the entitlement of any Member or proxy to attend a general meeting at the principal place shall be the subject to such arrangements as may be for the time being in force whether stated in the notice convening the meeting to apply to that meeting or notified to the Members concerned subsequent to the notice convening the meeting.

64. The Directors may direct that Members or proxies wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Directors shall consider appropriate in the circumstances and shall be entitled in their absolute discretion to refuse entry to such general meeting to any Member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the Chairman of the Meeting, the proceedings on the substantive resolutions shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, on a show of hands every Member present in person shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every share of which he is the holder. A resolution put to the vote of a Meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

    (a) by the Chairman; or

    (b) by at least two Members entitled to vote at the Meeting; or

    (c) by a Member or Members representing not less than one-tenth of the total voting rights of all Members having the right to vote at the Meeting; or

    (d) by a Member or Members holding shares conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

68. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

69. A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than thirty days' after the date of the demand) and place as the Chairman directs. It shall not be necessary (unless the Chairman otherwise directs) for notice to be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the Meeting at which it is demanded. In any other case at least seven days notice shall be given specifying the time and place at which the poll is to be taken.

70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded and, with the consent of the Chairman, it may be withdrawn at any time before the close of the Meeting or the taking of the poll, whichever is the earliest.

71. On a poll votes may be given either personally or by proxy.

72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

73. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of such meeting shall be entitled to a casting vote in addition to any other vote he may have.

74. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

75. A Member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy and may otherwise act and be treated as such Member for the purposes of general meetings.

76. No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

77. If:

(a) any objection shall be raised to the qualification of any voter; or

(b) any votes have been counted which ought not to have been counted or which might have been rejected; or

(c) any votes are not counted which ought to have been counted

the objection or error shall not vitiate the decision of the Meeting or adjourned Meeting on any resolution unless the same is raised or pointed out at the Meeting or, as the case

may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the Meeting and only vitiate the decision of the Meeting on any resolution if the Chairman decides that the same may have affected the decision of the Meeting. The decision of the Chairman on such matters shall be final and conclusive.

PROXIES

78. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

79. A proxy need not be a Member.

80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the Meeting or in any notice of any adjourned Meeting at which the person named in the instrument proposed to vote or, in either case, in any document sent therewith) not less than forty-eight hours before the time appointed for holding the Meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll, or where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the Meeting at which the poll was demanded, and in default the instrument of proxy shall not be treated as valid but the Directors may waive compliance with this provision at their discretion. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution except at an adjourned meeting or a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within twelve months from such date.

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any Meeting forms of instrument of proxy for use at the Meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the Meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates.

82. A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have

been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the Meeting or other document sent therewith) one hour at least before the commencement of the Meeting or adjourned Meeting, or the taking of the poll, at which the instrument of proxy is used.

NUMBER OF DIRECTORS

83. Unless and until otherwise determined by Ordinary Resolution, the number of Directors (other than alternate directors) will not be less than two nor more than fifteen in number.

APPOINTMENT AND RETIREMENT OF DIRECTORS

84. A Director will not require a share qualification.

85. Subject to these Articles, the Company may by Ordinary Resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles.

86. Without prejudice to the power of the Company in General Meeting in pursuant of any of these Articles to appoint any person to be a Director, the Board may at any time and from time to time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed by the Board shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

87. The Company may by Special Resolution, or by Ordinary Resolution of which special notice has been given in accordance with the Acts, remove any Director before the expiration of his period of office and may (subject to these Articles) by Ordinary Resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as a Director.

88. No person other than a Director retiring at the Meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any General Meeting unless, not less than seven and not more than forty-two clear days before the day appointed for the Meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the

Meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

DISQUALIFICATION OF DIRECTORS

89. The office of a Director shall be vacated if:

(a) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;

(b) he is, or may be, suffering from mental disorder and either:

(i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

(ii) an order is made by a Court having jurisdiction (in the United Kingdom or elsewhere) in the matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

(c) without leave, he is absent from meetings of the Board (whether or not an alternate Director appointed by him attends) for six consecutive months, and the Board resolves that his office be vacated; or

(d) he becomes bankrupt or makes any arrangement or composition with his creditors; or

(e) he is prohibited by law from being a Director; or

(f) if, when there are at least three Directors, he shall be requested in writing by not less than three quarters of his co-Directors, or, if their number is not a multiple of four, then the number nearest to but not less than three quarters, to resign;

(g) he ceases to be a Director by virtue of the Acts or is removed from office pursuant to these Articles.

90. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age

of seventy years or any other age, nor shall it be necessary to give special notice under the Acts or any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age, but where the Board convenes any General Meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such Meeting attained the age of seventy years, the Board shall give notice of his having attained such age in the notice convening the Meeting or in any document sent therewith, but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat.

ROTATION OF DIRECTORS

91. At every Annual General Meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a Meeting shall retain office until the close of the Meeting.

92. The Directors to retire on each occasion include, so far as necessary to obtain the number required, any Director who wishes to retire and not offer himself for re-election and any further Directors to retire shall be those who have been longest in office since their last election. As between persons who became or were re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the Annual General Meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the Meeting.

93. A retiring Director shall be eligible for re-election.

94. Subject to these Articles, the Company at the Meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected unless at such Meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the Meeting and lost.

EXECUTIVE DIRECTORS

95. The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director or Assistant Managing Director or to hold any other employment or executive office with the Company for such period (subject to the Acts) and upon such terms as the Board may determine and may revoke or terminate any of

such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company, or the Company may have against such Director, for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

96. Any Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or, where there is a committee constituted for the purpose, such committee, may determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

97. Any Director (other than an Alternate Director) may appoint any person to be his Alternate Director and may at his discretion remove such Alternate Director. If such Alternate Director is not another Director, such appointment unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an Alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a Meeting of the Board. An Alternate Director shall, if his appointor so requests, be entitled to receive notices of Meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such Meeting at which the Director appointing him is not personally present and generally at such Meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director for the purposes of the proceedings at such Meeting the provisions of these Articles shall apply as if he were a Director.

98. Every person acting as an Alternate Director shall (except as regards power to appoint an Alternate Director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as Alternate Director.

99. Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as Alternate (in addition to his own vote if he is also a Director). The signature of an Alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

100. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointor ceases for any reason to be a Director provided that, if at any Meeting any Director retires by rotation or otherwise but is re-elected at the same Meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

101. Each of the Directors will be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all such fees so paid to Directors (excluding amounts payable under any other Article) will not exceed Pound Sterling200,000 per annum, or such higher amount as may from time to time be determined by Ordinary Resolution of the Company.

102. Each Director may be paid all travelling, hotel and incidental expenses properly incurred by him in attending Meetings of the Board or committees of the Board or General Meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

DIRECTORS' INTERESTS

103. A Director may:

(a) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and subject to section 319 of the 1985 Act upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;

(b) act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be remunerated for professional services as if he were not a Director;

(c) be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be

interested, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a Director or officer of or from his interests in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be Directors or Officers of such other company, or voting or providing for the payment of remuneration to the Directors or Officers or such other company.

104. A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

105. Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns one per cent or more.

106. Subject to the Acts and to Article 107 no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

107. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the Meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first Meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article a general notice to the Board by a Director to the effect that:

(a) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or

(b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a Meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board Meeting after it is given.

108. Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:

(a) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or any other person or obligations undertaken by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) any contract or arrangement for the giving by the Company or any of its subsidiary undertakings of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings which the Director has himself guaranteed or secured in whole or in part;

(c) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company or any of its subsidiary undertakings issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any of its subsidiary undertakings or any class thereof, or to underwrite or sub-underwrite any shares, debentures or other securities of the Company or any of its subsidiary undertakings;

(d) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(e) any contract or arrangement concerning any other company (not being a company in which the Director owns one per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(f) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;

(g) any arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom such arrangement relates;

(h) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

109. For the purposes of Articles 103 to 108 inclusive:

(a) a company shall be deemed a company in which a Director owns one per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in or he and any person with whom he is connected within section 346 of the 1985 Act hold an interest (as such term is used in sections 198 to 211 of the 1985 Act) in one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this Article there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, and shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder;

(b) where a company in which a Director holds one per cent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction;

(c) if any question shall arise at any Meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the Meeting) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the Meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or

extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the Meeting, such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.

GENERAL POWERS OF THE DIRECTORS

110. The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Acts or these Articles required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Acts and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

111. The Board may establish local boards or agencies for managing any of the affairs of the Company either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent, any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

112. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and

may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may revoke or vary the appointment but no person dealing in good faith with the Company and without notice of the revocation or variation shall be affected by it.

113. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

114. Subject to the Acts, the Company may keep an overseas or local register in any place, and the Board may make and vary such regulations as it determines respecting the keeping of any such register.

115. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

PENSIONS

116. On behalf of the Company the Board may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director of former Director or the relations, connections or dependants of any Director or former Director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director of former Director without the approval of an Ordinary Resolution of the Company. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

117. The Board may by resolution exercise any power conferred by the Acts to make provision for the benefit of persons employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or any part of the undertaking of the Company or that subsidiary.

BORROWING POWERS

118. (a) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Acts, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(b) Whilst any securities of the Company are admitted to the Official List of the Stock Exchange the Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company at general meetings of its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Group (which expression means the Company and its subsidiary undertakings for the time being) shall not (excluding intra-Group borrowings) at any time without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to three (3) times the adjusted total of capital and reserves.

(c) For the purpose of this Article:-

(i) The following shall (unless otherwise taken into account) be deemed to constitute monies borrowed:-

(A) the principal amount outstanding in respect of any debenture notwithstanding that the same may have been issued in whole or in part for a consideration other than cash;

(B) principal amount outstanding in respect of any debenture of any member of the Group which is not beneficially owned within the Group;

(C) principal amount outstanding under any bill accepted by any member of the Group and not beneficially owned within the Group or under any acceptance credit opened on behalf of or in favour of any member of the Group other than by another member of the Group (not being an amount outstanding in respect of the purchase of goods in the ordinary course of trading);

(D) nominal amount of the issued and paid-up preference share capital of any subsidiary undertaking of the Company not beneficially owned within the Group;

(E) nominal amount of any issued share capital and the principal amount of any monies borrowed (not being issued share capital or monies borrowed beneficially owned within the Group) the redemption or repayment whereof is guaranteed or secured by the Company or by any of its subsidiary undertakings; and

(F) fixed or minimum premium payable on final redemption or repayment of any debentures or other monies borrowed or share capital in addition to the principal or nominal amount thereof.

(ii) Monies borrowed for the purpose of and actually applied within six months in repaying the whole or any part of other monies borrowed by the Group and for the time being outstanding shall not pending their application for such purpose be deemed to be monies borrowed.

(iii) Monies borrowed from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under the contract which is guaranteed or insured by the Export Credit Guarantees Department or any other institution or body carrying on a similar business shall be deemed not to be monies borrowed.

(d) For the purposes of this Article:-

(i) The adjusted total of capital and reserves means:-

(A) nominal amount of the issued and paid up or credited as paid up share capital for the time being of the Company; and

(B) amount standing to the credit of the consolidated reserves of the Group including share premium account and capital redemption reserved fund (if any) and the amount standing to the credit of the consolidated profit and loss account;

all as shown in a consolidation of the most recent audited balance sheets of the Company and its subsidiary undertakings available at the date the calculation falls to be made but after:-

(A) adjusting as may be necessary in respect of any variation in such paid up share capital and reserves since the dates of such balance sheets but so far as profit and loss account is

concerned only to take account of (I) any distribution (otherwise than within the Group) paid, recommended or declared and not (A) already provided for as a liability in such balance sheets or (B) being a normal preference or interim dividend payable out of profits since earned and (II) any provision made other than out of profits since earned;

(B) excluding any sum set aside for taxation (other than deferred taxation);

(C) excluding a sum equal to the book value of goodwill other than goodwill arising upon such consolidation (the amount of which so far as previously written off to be written back); and

(D) deducting if not already deducted any debit balance on profit and loss account.

(ii) Share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription monies (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up.

(iii) In calculating the adjusted total of capital and reserves any adjustments may be made that the Auditors may certify in their opinion to be appropriate, including in particular adjustments to provide for the carrying into effect of any transaction for the purposes of or in connection with which it requires to be calculated.

(iv) The certificate of the Auditors as to the amount of the adjusted total of capital and reserves at any time shall be conclusive and binding upon all concerned.

(e) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions of this Article be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.

119. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys and the power so delegated shall subsist assignable during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

PROCEEDINGS OF THE DIRECTORS

120. The Board may meet for the dispatch of business, adjourn or otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the Chairman of the Meeting shall have an additional or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board Meeting.

121. Attendance at Board Meetings may be by means of conference telephone calls or other means of remote communication provided always that all participants can freely hear and speak to each other. Meetings at which some of the participants are present by such means shall be deemed to be held in the location of the majority or of the Chairman if there is no majority in any place.

122. Notice of a Board Meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board Meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

123. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Any Director who ceases to be a Director at a Board Meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board Meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

124. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director may act for the purpose of filling vacancies in

the Board or of summoning general meetings of the Company but not for any other purpose.

125. The Board may elect a Chairman and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office. If no Chairman is elected, or if at any meeting neither the Chairman or any deputy Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

126. A Meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

127. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit provided that less than one half of the members of the committee comprise co-opted members who are not Directors of the Company. A resolution of a committee shall not be effective unless a majority of the members of the committee present at the Meeting and voting are Directors of the Company. Save as aforesaid, any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

128. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

129. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.

130. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

MINUTES

131. The Board shall cause Minutes to be made:

(a) of all appointments of officers made by the Board;

(b) of the names of the Directors present at each Meeting of the Board or committee of the Board; and

(c) of all resolutions and proceedings at all Meetings of the Company, of the Board and of any committee of the Board.

Any such Minute as aforesaid, if purporting to be signed by the Chairman of the Meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minute without further proof.

SECRETARY

132. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it determines, and any Secretary so appointed may be removed by the Board.

133. A provision of the Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being one by or to the same person acting both as director and as, or in place of the Secretary.

SEAL

134. The Board shall provide for the custody of every seal. A seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more Directors and the Secretary or by two or more Directors, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person.

135. The Company may exercise all the powers conferred by the Acts with regarding to having official seals, and such powers shall be vested in the Board.

136. The Board may, as it thinks fit, dispense with the use of any seal from time to time and references in these Articles to the affixing of the Seal or any seal shall include execution without the affixation of the Seal or any seal in accordance with the Acts.

AUTHENTICATION OF DOCUMENTS

137. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents and accounts are elsewhere than at the office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS AND OTHER PAYMENTS

138. The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members but no dividend shall exceed the amount recommended by the Directors.

139. Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

140. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates whenever such position, in the opinion of the Board, justifies such payment.

141. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

142. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

143. (a) The Company may pay any dividend, interest or other moneys payable in cash in respect of shares, by direct debit, bank transfer, cheque dividend warrant or money order. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other moneys by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system).

(b) Every such cheque, warrant or order may be remitted by post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the joint holder whose name stands first in the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, warrant or order shall be made payable to or to the order of the person to whom it is sent, or to such other person as the holder or joint holders may in writing direct.

(c) Every such payment made by direct debit or bank transfer shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may in writing direct. In respect of shares in uncertified form, every such payment made by such other method as is referred to in paragraph (a) of this Article shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. Without prejudice to the generality of the foregoing, in respect of shares in uncertified form, such payment may include the sending by the Company or by any person on its behalf of any instruction to the Operator of the relevant system to credit the cash memorandum account (being an account so designated by such Operator) of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.

(d) The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment made by direct debit, bank transfer or such other method shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of such out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

(e) Payment of such cheque, warrant or order: the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned, shall be a good discharge to the Company.

144. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other monies payable or property distributable on or in respect of the share.

145. The Company may cease to send any cheque or warrant through the post for any dividend or other monies payable on or in respect of any share if, in respect of at least two consecutive dividends payable on those shares, the cheques or warrants have been returned undelivered or remain uncashed, or the cheque or warrant in respect of any one dividend has been returned undelivered or remains uncashed and reasonable enquiries have failed to establish any new address of the holder, but may recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled thereto requests such recommencement in writing.

146. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

147. Any general meeting declaring a dividend may by Ordinary Resolution upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest such specific assets in trustees as may seem expedient to the Board.

148. The Board may, with the sanction of an ordinary resolution of the Company, offer Members the right to elect to receive shares credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends as may be specified by the resolution. The following provisions shall apply:

(a) The said resolution may specify a particular dividend in respect of which such right to elect is to be available, or may specify that all or any dividends declared or to be declared or paid in respect of a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed, or for payment not later than the beginning of the annual general meeting next following the passing of such resolution shall be subject to such right.

(b) The basis of allotment of shares shall be that the Relevant Value for each member shall be as nearly as possible equal to (but not more than) the cash amount (exclusive of any imputed tax credit) that such Member would have received by way of the dividend foregone. For the purpose of this clause "Relevant Value" shall be calculated by reference to the market value of the shares to be allotted to be deemed to be the mid-market average of ordinary shares of the Company or American Depository Shares representing such shares over the three business days proceeding the date of the notice convening the meeting at which approval is sought on NASDAQ or any other Stock Exchange where ordinary shares or American Depository Shares of the Company are for the time being traded as the directors may select.

(c) The Board, after determining the basis of allotment, shall notify the Members in writing of any right of election offered to them, and shall send forms of election with or following such notification and specify the procedure to be followed and the place at which, and the latest time or date by which, duly completed forms of election must be lodged in order to be effective.

(d) The dividend (or that part of the dividend for which a right of election has been given) shall never become payable on shares for which the election has been duly effected ("Elected Shares") and additional shares shall instead be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid. For such purpose the Board shall appropriate, as they see fit, out of such of the sums standing to the credit of any reserve or fund (including the profit and loss account), whether or not the same is available for distribution, as the Board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis.

(e) The additional shares so allotted shall rank pari passu in all respects with the fully paid shares then in issue save only as regards participation in the dividend in place of which they were allotted.

(f) The Board may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares in accordance with the provisions of this Article and may authorise any person to enter, on behalf of all the Members concerned, into an agreement with the Company providing for such allotment and incidental matters and any agreement so made under such authority shall be binding on all such Members.

(g) The Board may on any occasion decide that rights of election shall not be made available to any category of shareholders or to any shareholders in any territory where, in the absence of a registration statement or other special formalities or for any other reason, the circulation of any offer of rights of election to such shareholders or in such territory would or might be unlawful or where, in the opinion of the Board, compliance with local laws and/or regulations would be unduly onerous and in such case the provisions of this Article shall be subject to such decision.

(h) Every duly effected election shall be binding on every successor in title to the Elected Shares (or any of them) of the Member(s) who have effected the same.

RESERVES

149. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also, without placing the same to reserve, carry forward any profits which it may think it prudent not to distribute.

CAPITALISATION

150. The Company may, upon recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided

that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

151. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under Article 150 and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution shall be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

RECORD DATES

152. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTING RECORDS

153. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Acts.

154. The accounting records shall be kept at the Office or, subject to the Acts, at such other place or places as the Board decides and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.

155. A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the auditors' report shall be sent to each person entitled thereto in accordance with the requirements of the Acts and copies shall also be sent in appropriate numbers to The Stock Exchange in accordance with its regulations and practice.

AUDITORS

156. Auditors shall be appointed and their duties regulated in accordance with the Acts.

NOTICES

157. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document to the person who is first named on the Register shall for the purposes be deemed a sufficient service on or delivery to all the joint holders.

158. Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address and will otherwise be entitled to receive copies of notices at any other registered address by normal overseas mail.

159. Any such notice or other document, if sent by post to an address (whether within the United Kingdom or elsewhere), shall be deemed to have been served or delivered on the day after the day when it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

160. Any notice or other document delivered or sent by post to or left at the registered address of any member in pursuant of these Articles shall, notwithstanding that such Member is then dead or bankrupt, or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient serve or delivery of such notice or document on all persons interested (whether jointly with, or as claiming through or under him) in the share.

161. A notice exhibited at the Office shall be deemed to have been duly given to any Member who has not given to the Company an address for service of such notices within the United Kingdom.

162. Except as otherwise expressly provided in these Articles, any notice required to be given by the Company to a Member shall be sufficiently given if given by

advertisement. Any notice required to be, or which may be given, by advertisement shall be advertised once in a leading daily national newspaper.

163. Notice of every General Meeting must be sent by post as provided in these Articles except that if postal services in the United Kingdom are suspended or curtailed so that the Company is unable effectively to convene a General Meeting by notice sent through the post, then a General Meeting may be convened by notice advertised in at least two leading national daily newspapers with appropriate circulation. If it becomes possible to give notice by post at least 48 hours before the Meeting then the Company shall send a duplicate notice by post.

164. Any document to be served on a Member, other than a notice, may be served in the same manner as for a notice and, in a case where notice might be given by exhibition at the Office or by advertisement in a newspaper, such document shall be deemed to be duly served if it is available for him at the Office and a notice to that effect is exhibited at the Office or advertised in a newspaper as required by these Articles.

DESTRUCTION OF DOCUMENTS

165. The Company may destroy:

(a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

(b) any dividend mandate or any variation or cancellation thereof, or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation, cancellation or notification was recorded by the Company;

(c) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and

(d) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it:

and it shall be conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

(i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(ii) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of Article 158(a) to (d) above are not fulfilled; and

(iii) references in this article to the destruction of any document include references to its disposal in any manner.

WINDING UP

166. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Acts and subject to any provisions sanctioned by Ordinary Resolution of the Company under section 719 of the 1985 Act (without prejudice to section 187 of the Insolvency Act 1986), divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets upon such trustees for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability. Without prejudice to section 187 of the Insolvency Act 1986, the liquidator may make any provision referred to in and sanctioned in accordance with section 719 thereof.

INDEMNITY AND INSURANCE

167. Subject to and so far as may be permitted by the Acts, every director or other office and auditor of the Company may be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities (including, but without limitation, any such liability as is mentioned in section 310(3) of the 1985 Act) which he may sustain or incur in or about the execution of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour, or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part, or in which he is acquitted or in connection with any

application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the Court.

168. The Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are, or were at any time, Directors, officers or employees of the Company or any other company in which the Company has any interest whether direct or indirect or who are or were at any time trustees of any pension fund or employees' share scheme or any other scheme or arrangement principally for the benefit of employees in which employees of the Company or of any such other company are interested including (without limitation) insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise of their powers of otherwise in relation to their duties powers or offices in relation to the Company or any such other company or any such pension fund employees' share scheme or other scheme or arrangement.

APPENDIX
PART 1
TERMS OF PREFERENCE SHARES

1. INCOME

The 3 per cent. cumulative convertible preference shares of Pound Sterling1 each in the capital of the Company (the "Preference Shares") shall confer upon the holders thereof the right to receive a fixed cumulative preferential dividend at the rate of 3 per cent per annum (net of any withholding or deduction for or on account of any tax) on the amount for the time being paid up on such shares (but shall have no further right to participate in distributions), to be paid if and so far as in the reasonable opinion of the Directors the profits of the Company justify such payments, in equal amounts, the first of which shall be paid on 31 March 2000 calculated up to that date on a daily basis from the date of issue of any such Preference Shares and thereafter on 30th September and 31st March (or in any case, if not a day on which commercial banks are open for business in London, on the next day on which commercial banks are open for business in London) in each year in respect of the half-years ending on those respective dates. The Preference Shares shall rank for dividend in priority to any other shares issued from time to time by the Company.

2. CAPITAL

On a return of capital on a winding-up or otherwise, the assets available for distribution will, subject as provided in paragraph 3.8 below, be applied in repaying to the holders of the Preference Shares the amounts paid up on such Preference Shares including any premium paid or deemed paid thereon together with a sum equal to any arrears and accruals of the fixed cumulative preferential dividend calculated down to the date of the return of capital and payable whether or not such dividend has been declared or earned but the Preference Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

3. CONVERSION

3.1 Each holder of Preference Shares shall have the right to convert all or any of his holding of Preference Shares into fully paid ordinary share capital of the Company at the rate set out in paragraph 3.4 below (the "Preference Conversion Rate") (subject to adjustment as provided in paragraph 3.5 below) at any time on or after the second anniversary of the date of issue of such Preference Shares provided that if any of the events referred to in article 3.7, 3.8, 3.9 or 3.10 occur, the holder may exercise the right to convert at any time after the occurrence of such event.

3.2 (a) The conversion rights shall be exercisable by notice in writing to the Company (a "Preference Conversion Notice") which shall be given by the holder of Preference Shares to the Company not less than 10 business days (being a day on which commercial banks are open for business in London) prior to the date he wishes to convert all or part of his holding of Preference Shares into ordinary shares.

(b) To be effective, a Preference Conversion Notice must be given substantially in the form set out in Part 2 of this Appendix and:-

(i) shall specify the conversion date on which the ordinary shares arising on conversion of the Preference Shares shall be allotted and issued by the Company to the relevant holder of Preference Shares or his nominee (the "Preference Conversion Date"); and

(ii) shall be delivered to the office of the Company together with the share certificate(s) for the Preference Shares to be converted and such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising the right to convert.

A Preference Conversion Notice once given shall not be capable of being withdrawn without the consent in writing of the Company such consent not to be unreasonably withheld.

(c) All ordinary shares issued on conversion shall be allotted as fully paid shall rank pari passu and form one class with the fully paid ordinary shares in issue on the relevant Preference Conversion Date and shall carry the right to receive in full all dividends and all other distributions declared, paid or made on the ordinary shares by reference to a record date falling after the relevant Preference Conversion Date.

(d) If any fraction of an ordinary share would arise on conversion it shall not be allotted and the number of ordinary shares to be allotted on conversion shall be rounded down to the nearest whole number.

(e) The Company shall not later than the expiration of 28 days next following the relevant Preference Conversion Date despatch certificates, without charge, for the ordinary shares resulting from conversion with a new certificate for any balance of any unconverted Preference Shares comprised in the surrendered certificate and, if appropriate a cheque in respect of any fractional entitlement.

3.3 The fixed preferential cumulative dividend on the Preference Shares which are converted shall cease to accrue with effect from the relevant Preference Conversion Date.

3.4 Subject to paragraph 3.5 below, the Preference Conversion Rate shall be ten ordinary shares of Pound Sterling0.10 each for one Preference Share of Pound Sterling1 converted.

3.5 Upon the occurrence of any of the following events ("Adjustment Event"):

(a) the making of any distribution whether by way of bonus, capitalisation or similar issue or otherwise to the holders of ordinary shares or the grant to the holders of ordinary shares of rights to acquire assets for cash;

(b) the grant of warrants, options or other rights to subscribe for ordinary shares;

(c) the issue of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for ordinary shares; or

(d) the occurrence of any event which the holders of a majority of the Preference Shares and the Company believe is similar in effect to those set out in paragraphs 3.5 (a) to (c) (in the absence of such agreement the matter will be referred to the auditors of the Company in the manner set out in this paragraph 3.5 for their determination).

the Preference Conversion Rate shall be adjusted in such manner as the holders of a majority of the Preference Shares and the Company shall agree to be appropriate. In the event of any disagreement between the Company and the holders of a majority of the Preference Shares under this paragraph 3.5, the matter shall be referred to the auditors of the Company or, if requested by the holders of a majority of Preference Shares, to such firm of internationally recognised independent auditors as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales. Any such auditors shall act as experts and their decision will be final and binding on the parties and the Company shall pay all costs and expenses incurred by such auditors. If the effect of any adjustment of the Preference Conversion Rate under this paragraph 3.5 is that the aggregate nominal amount of the ordinary shares to be issued on conversion of any Preference Shares at any time on conversion of any Preference Shares is greater than the aggregate nominal amount of such Preference Shares, the Directors are hereby authorised and instructed from time to time to capitalise any undivided profits of the Company or any sum standing to the credit of the share premium account or capital redemption reserve and to apply the same in paying up in full unissued ordinary shares and to distribute the same amongst the holders of Preference Shares concerned in order to give effect to the adjustment of the

Preference Conversion Rate and to give the holders of the Preference Shares such number of ordinary shares as they are entitled to under the same.

3.6 All holders of Preference Shares will be notified by the Company of any Adjustment Event and the proposed adjustment to the Preference Conversion Rate arising therefrom (once determined in accordance with paragraph 3.5) as soon as practicable thereafter. Upon agreement between the Company and the holders of a majority of the Preference Shares as to the adjustment to the Preference Conversion Rate (or, failing such agreement, such adjustment as determined by such auditors as are appointed in accordance with paragraph 3.5) the Company shall notify all Preference Shareholders of the adjustment to the Preference Conversion Rate as soon as practicable thereafter.

3.7 If, while any of the Preference Shares remain capable of conversion, (A) an offer is made to all ordinary share holders of the Company (or all such shareholders other than the offeror and/or any body corporate controlled by the offeror and/or any person acting in concert with the offeror as defined in the City Code on Takeovers and Mergers) to acquire the whole or any part of the issued ordinary share capital of the Company, and (B) the Company becomes aware that the rights to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or any such body corporate and/or other person as aforesaid then the Company shall give written notice to all holders of Preference Shares of such vesting within 14 days of its becoming so aware together with the details concerning such offer and where such offer has been recommended by the Board of Directors of the Company or in the case of an offer which has been declared unconditional, the Company will use its reasonable endeavours to procure that (i) a like offer is extended to the holders of the Preference Shares in respect of all the ordinary shares which would be in issue following conversion of any or all of the Preference Shares and (ii) such offer remains open for acceptance by the Preference Share holders for not less than the period it is open for acceptance by the holders of ordinary shares to enable the holders of the Preference Shares to convert any or all of their Preference Shares and accept the offer if they so wish. The publication of any scheme of arrangement under the Acts in consequence of which any person and/or any body corporate controlled by that person and/or any person acting in concert with that person will hold the whole or any part of the ordinary share capital of the Company shall be deemed to be the making of an offer for the purposes of this sub-paragraph.

3.8 If, while any of the Preference Shares remain capable of conversion, an effective resolution is passed or an effective order is made for the winding up of the Company, the Company shall forthwith give notice thereof in writing to all the holders of Preference Shares and each such holder shall in respect of all or any of his holding which he may specify be entitled to elect within 21 days of the date of the resolution or order (the "operative date") by notice in writing to the Company to be treated as if his

conversion rights had been exercised on the date immediately before the operative date, at the Preference Conversion Rate then applicable, and, in that event, he shall be entitled to be paid in satisfaction of the amount due in respect of his Preference Shares a sum equal to the amount to which he would have become entitled in such winding up if he had been the holder of such number of ordinary shares to which he would have become entitled by virtue of such conversion, together with any arrears or accrual of the fixed preferential dividend on such Preference Shares to be calculated down to the operative date and to be payable whether or not such dividend has been declared or earned.

3.9 If, while any of the Preference Shares are outstanding, the Company makes an offer to all (or nearly as may be practicable) ordinary shareholders of another company to acquire the whole or part of the issued ordinary share capital of such company or the Company acts in concert, as defined in paragraph 3.7, the Company shall give written notice to all holders of the Preference Shares of such offer at the same time and in the same manner as it does to the holders of ordinary shares in the Company and, in any vote of the ordinary shareholders in relation to such offer, the holders of the Preference Shares will be treated as if they had exercised their conversion rights prior to the announcing of the offer.

3.10 The Company shall be entitled to request that any or all of the holders of Preference Shares convert all or part of their Preference Shares at any time in accordance with the provisions of paragraph 3.1. The holders of Preference Shares shall be under no obligation to accede to such request.

4. VOTING

4.1 Preference Shares shall entitle the holders to receive notice of and to attend and speak at any general meeting of the Company, but not be entitled to vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for winding up or for a reduction in the capital of the Company or any resolution directly and adversely affecting any of the rights attached to the Preference Shares (including but not limited to any of those events referred to in paragraphs 3.5, 3.7, 3.8 or 3.9) in which case they will only be entitled to vote at the meeting on such resolution.

4.2 When entitled to vote as aforesaid, every holder of Preference Shares shall upon a poll have such number of votes as he would have had his Preference Shares been converted into ordinary shares at the rate of conversion then applicable.

5. PRIORITY AND ISSUE OF FURTHER PREFERRED SHARES

5.1 Subject as provided in paragraph 5.2 below, the Preference Shares shall rank as regards order of a participation in the profits and assets of the Company on a winding up or otherwise in priority to any other shares for the time being in issue.

5.2 Notwithstanding any other provision hereof, the Company shall be entitled at any time and from time to time to create and to issue further shares ranking as regards order of participation in the profits or assets of the Company on a winding up or otherwise subsequent to but not pari passu or in priority to the Preference Shares and, subject as aforesaid, carrying such rights as to dividend, voting, return of capital, redemption, conversion and otherwise as the Company may determine.

6. RESTRICTIONS ON THE COMPANY

6.1 While any of the Preference Shares remain capable of conversion without the written consent of the holders of at least 75 per cent of the nominal amount of Preference Shares then in issue:-

(a) the Company shall not reduce its share capital or purchase any of its ordinary share capital;

(b) the Company shall at all times keep available sufficient authorised and unissued ordinary shares and ensure that all necessary authorities under the Acts are maintained in respect of such shares in order to implement conversion in full of all shares and other securities for the time being capable of being converted then or thereafter into ordinary shares; and

(c) the Company shall send to the holders of Preference Shares a copy of every document sent to the holders of ordinary shares at the same time as it is sent to such holders.

APPENDIX
PART 2
PREFERENCE CONVERSION NOTICE

To: Ethical Holdings plc (the "COMPANY")

We hereby give notice of our desire to exercise our rights conferred on us as holders of Preference Shares to convert Preference Shares to ordinary shares of the Company (the "Conversion Rights") on [ ] (the "PREFERENCE CONVERSION DATE") in respect of [ ] Preference Shares of Pound Sterling1 each in accordance with the rights attached to the Preference Shares.

PART A(4)

We desire that(5) [ ] ordinary shares of 10p each in the capital of the Company to be allotted on such exercise of our Conversion Rights be allotted to and registered in our name(s) and hereby authorise the entry of our name(s) in the register of Members in respect thereof and the delivery of a Certificate therefor to

_____ at _____ on the

Preference Conversion Date

We agree to accept all the fully paid ordinary share capital of the Company to be allotted to us pursuant hereto subject to the Memorandum and Articles of Association of the Company.

PART B(6)

- ----------

(4) Delete or complete as appropriate.

(5) Delete or complete as appropriate. If this space is left blank the Preference Conversion Notice will be deemed to relate to the whole of your holding of Preference Shares.

(6) Delete or complete as appropriate.

I/We hereby authorise and direct you to allot [ ](7) ordinary shares of 10p each in the capital of the Company to be allotted pursuant hereto to the person(s) who has/have signed below indicating its/their agreement to accept such fully paid ordinary share capital subject to the Memorandum and Articles of Association of the Company.

Signature(s) for Lender _____

Dated this _____ day of _____

If it is desired to nominate some other person(s) as the allottee(s) of all or any of the ordinary share capital of the Company, such person(s) should sign below as evidence of their agreement to accept the ordinary shares to be allotted pursuant to exercise of the rights conferred on the above holder of Preference Shares.

Name of Nominated Person(s) _____

Address of Nominated Person(s) _____

_____

Signature of Nominated Person(s) _____

_____

_____

In the case of a corporation this Preference Conversion Notice must be either given under its Common Seal or signed on its behalf by an attorney or duly authorised official of the corporation.

- ----------

(7) Delete or complete as appropriate. If this space is left blank the Preference Conversion Notice will be deemed to relate to the whole of your holding of Preference Shares.

No. 2353920

AMARIN CORPORATION PLC

PUBLIC COMPANY LIMITED BY SHARES

INCORPORATED ON 1 MARCH 1989

MEMORANDUM OF ASSOCIATION
(AS AMENDED BY SPECIAL RESOLUTIONS
PASSED ON 5 SEPTEMBER 1989, 2 APRIL 1990,
8 JUNE 1990, 11 FEBRUARY 1992,
13 AUGUST 1992, 8 MARCH 1993 AND
25 MARCH 1994.)

AND

ARTICLES OF ASSOCIATION
(ADOPTED BY SPECIAL RESOLUTION PASSED ON 3 JUNE 1997
AND AMENDED BY SPECIAL RESOLUTION PASSED ON 8 DECEMBER 1999)

EXHIBIT 2.4

ORDINARY SHARE CERTIFICATE 1320-02

CERTIFICATE No.	ACCOUNT No.	TRANSFER No.	DATE	NUMBER OF ORDINARY SHARES

Amarin Corporation plc
(Incorporated under the Companies Act 1985 and registered in England and Wales with Registered Number 2353920)

AMARIN CORPORATION PLC
ORDINARY SHARES OF POUND STERLING 1.00 EACH

THIS IS TO CERTIFY that the undermentioned is/are the Registered Holder(s) of fully paid Ordinary Shares of Pound Sterling 1.00 each, in AMARIN CORPORATION PLC, subject to the Memorandum and Articles of Association of the Company.

The attached share certificate represents your holding of Pound Sterling 1.00 Ordinary Shares in Amarin Corporation plc following the Share Capital Consolidation (under which shareholders received 1 New Ordinary Share of Pound Sterling 1.00 each for every 10 existing ordinary shares of 10p each held on the record date of 19 July 2002) approved at the Annual General Meeting held on 19 July 2002.

NAME(S) OF HOLDER(S) NUMBER OF ORDINARY SHARES

YOUR EXISTING ORDINARY SHARE CERTIFICATE(S) IS/ARE NO LONGER OF ANY VALUE AND MAY BE DESTROYED.

PROOF 2
04-07-02

GIVEN under the Securities Seal of the Company

This certificate should be kept in a safe place. It will be needed when you sell or transfer the shares.
No transfer of any portion of this holding will be registered unless this certificate is deposited at the office of the Company's Registrar.
The Registrar's address is: Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA and the relevant reference for correspondence is No. 1320.

SMITH & OUZMAN - 49098 - 7/02 - YHC138(5) PLEASE DETACH THIS COUNTERFOIL

EXHIBIT 2.6

REGISTRATION RIGHTS AGREEMENT

Dated as of
October 21, 1998

by and among

Ethical Holdings plc

and

Monksland Holdings B.V.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement is made and entered into as of October 21, 1998 by and among Ethical Holdings plc (the "Company") and Monksland Holdings B.V. ("Monksland" or the "Purchaser").

This Agreement is made pursuant to the Convertible Term Loan Agreement, dated as of October 21, 1998, among the Company and the Purchaser (the "Convertible Term Loan Agreement"). The execution of this Agreement is a condition precedent to the drawdown provisions of the Convertible Term Loan Agreement.

The parties hereby agree as follows:

1. DEFINITIONS

Capitalized terms used herein without definition shall have the meanings given such terms in the Convertible Term Loan Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" of any specified person shall mean any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "control," when used with respect to any person, means the power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "affiliated," "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Registration Rights Agreement, as the same may be amended, supplemented or modified from time to time in accordance with the terms hereof.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be a legal holiday in the United States or a day on which banking institutions in the state of New York generally are authorized or required by law or other government actions to close.

"Company" shall mean Ethical Holdings plc, a corpora-

tion organized and existing under the laws of England.

"Debenture" shall have the meaning given to it in the Convertible Loan Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated pursuant thereto.

"Holders" shall mean any person owning or having the right to acquire Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 6(c) hereof.

"Indemnifying Party" shall have the meaning set forth in Section 6(c) hereof.

"Losses" shall have the meaning set forth in Section 6(a) hereof.

"Ordinary Shares" or "ADSs" shall mean the Ordinary Shares, par value 10p each, of the Company or American Depositary Shares therefor.

"Proceeding" shall mean an action, claim, suit or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" shall mean the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" shall mean the Ordinary Shares issuable upon conversion of the Debenture purchased by the Purchaser pursuant to the Convertible Term Loan Agreement, until, in the case of any such ADS, (A) it has been registered

effectively pursuant to the Securities Act and disposed of in accordance with a Registration Statement covering it, (B) subject to Section 7 hereof, it is sold by the Holder thereof pursuant to Rule 144, (C) subject to Section 8 hereof, it shall have been otherwise transferred and a new certificate or certificates for such security not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such security shall not require registration or qualification of such security under the Securities Act or (D) it ceases to be outstanding.

"Registration Statement" shall mean the registration statement contemplated by Section 2 hereof, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Rule 144" shall mean Rule 144 promulgated by the SEC pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

"Rule 144A" shall mean Rule 144A promulgated by the SEC pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"Underwritten registration" or "underwritten offering" shall mean a registration in connection with which securities of the Company are sold to an underwriter for reoffering to the public pursuant to an effective registration statement.

2. REGISTRATION RIGHTS

(a) FILING OF REGISTRATION STATEMENT. Within sixty days of receipt of a letter of demand from Monksland, the

Company shall cause to be filed the Registration Statement with the SEC under the Securities Act covering the offering and sale of the Registrable Securities, PROVIDED, HOWEVER, that the Company shall not be obligated to file more than three such Registration Statements on behalf of Monksland.

(b) EFFECTIVENESS; AMENDMENTS. The Company will use best efforts to cause the Registration Statement to be declared effective as promptly as practicable after such filing but in no event more than 60 days after the date upon which it was filed and, except as set forth below, to keep such Registration Statement continuously effective for a period of at least one year following the date on which such Registration Statement is declared effective or such shorter period which will terminate when all of the Registrable Securities covered by the Registration Statement have been sold by the Stockholders pursuant to the registration (the "Effectiveness Period"). The Company further agrees, if necessary, to supplement or amend the Registration Statement, if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Registration or by the Securities Act or by any other rules and regulations thereunder for such registration or, if reasonably requested by the Holders of a majority of the Registrable Securities covered by such Registration Statement or by any underwriter of such Registrable Securities in order to comply with such rules and regulations, and the Company agrees to furnish the Holders of Registrable Securities copies of any such supplement or amendment prior to its being used or filed with the SEC. The Company will promptly notify such Holders in writing of the date on which the Registration Statement is declared effective. Notwithstanding the foregoing, the Company shall not be obligated to keep the Registration Statement or the prospectus included therein (the "Prospectus") current during any period of up to 60 days per calendar year if the Company's chief executive officer advises Monksland that he has determined in good faith that valid business reasons make doing so inadvisable.

(c) SUPPLEMENTS AND AMENDMENTS. The Company shall promptly supplement and amend the Registration Statement if required by the rules, regulations or instructions applicable to the registration form used for such registration, if required by the Securities Act, or if reasonably requested by the Holders of a majority in aggregate principal amount of the Registrable Securities covered by such Registration Statement or by any underwriter of such Registrable Securities.

3. HOLD-BACK AGREEMENTS

(a) RESTRICTIONS ON PUBLIC SALE BY HOLDERS OF REGISTRABLE SECURITIES. Subject to Section 3(b), the registration rights of the Purchaser pursuant to this Agreement and the ability to offer and sell Registrable Securities pursuant to a Registration Statement are subject to the following conditions and limitations, and the Purchaser agrees with the Company that:

(i) If the Company determines in its good faith judgment that the filing of a Registration Statement under Section 2 hereof or the use of any Prospectus would require the disclosure of important information which the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a significant transaction, upon written notice of such determination by the Company, the rights of the Purchaser to offer, sell or distribute any Registrable Securities pursuant to such Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to such Registration Statement (including any action contemplated by Section 4 hereof) will for up to 60 days in any 12-month period be suspended until the date upon which the Company notifies the Holders of Registrable Securities in writing that suspension of such rights for the grounds set forth in this Section 3(a)(i) is no longer necessary.

(ii) If consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Securities Act, upon written notice thereof by the Company to the Purchaser, the rights of the Purchaser to offer, sell or distribute any Registrable Securities pursuant to a Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to such Registration Statement (including any action contemplated by Section 4 hereof) will for up to 60 days in any 12-month period be suspended until the date on which the Company has obtained the financial information required by Rule 3-05 or Article 11 of Regulation S-X to be included in such Registration Statement.

(iii) In the case of the registration of any underwritten primary offering of capital stock of the Company

(other than any registration by the Company on Form S-8, or a successor or substantially similar form, of (I) an employee stock option, stock purchase or compensation plan or of securities issued or issuable pursuant to any such plan, or (II) a dividend reinvestment plan), each holder of Registrable Securities agrees, if requested in writing by the managing underwriter or underwriters administering such offering, not to effect any offer, sale or distribution of Registrable Securities (or any option or right to acquire Registrable Securities) during the period commencing on the 10th day prior to the effective date of the registration statement covering such underwritten primary offering and ending on the date specified by such managing underwriter or underwriters in such written request.

(b) LIMITATION ON BLACKOUTS. Notwithstanding the provisions of paragraph (a) of this Section 3 or the last paragraph of Section 4, the aggregate number of days (whether or not consecutive) during which the Company may delay the filing or the effectiveness of a Registration Statement under Section 2 hereof or prevent offerings, sales or distributions by the Purchaser pursuant to paragraph (a) of this Section 3 or paragraph (b) of Section 2 or the last paragraph of Section 4 shall in no event exceed 60 days during any 12-month period.

4. REGISTRATION PROCEDURES

In connection with the Company's registration obligations pursuant to Section 2 hereof, the Company will use its best efforts to effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof, and pursuant thereto, the Company shall:

(a) Prepare and file with the SEC a Registration Statement on the appropriate form available for the sale of such Registrable Securities as prescribed by Section 2 and use its reasonable efforts to cause such Registration Statement to become effective and remain effective as provided herein; PROVIDED, HOWEVER, that no less than 5 days prior to the filing of a Registration Statement under Section 2 hereof, or any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish to the Holders whose Registrable Securities will be or are included in such Registration Statement, Prospectus or amendment or supplement thereto, copies of all such documents in draft form

proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the reasonable review of such Holders, and cause the officers and directors of the Company, counsel to the Company and independent chartered accountants to the Company to respond to such inquiries as shall be necessary to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file a Registration Statement under Section 2 hereof, or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object on a timely basis;

(b) Prepare and file with the SEC such amendments, including post-effective amendments, to a Registration Statement as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period, or such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold; cause the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented;

(c) At any time that a prospectus is required to be delivered under the Securities Act, notify the Holders of Registrable Securities to be sold immediately (i) when a Registration Statement or any post-effective amendment thereto has become effective, (ii) of any request by the SEC or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any proceedings for that purpose, (iv) if at any time any of the representations and warranties of the Company contained in any underwriting agreement contemplated hereby cease to be true and correct in all material respects, (v) of the receipt by the Company of any notification with respect to the suspension of the

qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (vi) of the happening of any event that makes any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in a Registration Statement, Prospectus or documents so that, in the case of a Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of a Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(d) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment;

(e) Furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits (other than exhibits to documents incorporated by reference into such Registration Statement) to the extent requested by such person (including those previously furnished or incorporated by reference) as soon as practicable after the filing of such documents with the SEC;

(f) Deliver to each Holder of Registrable Securities a reasonable number of copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto; and the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto;

(g) Prior to any public offering of Registrable Securities pursuant to a Registration Statement, use all commercially reasonable efforts to register or qualify such Registrable Securities for offer and sale under the securities or Blue Sky laws of the United States PROVIDED THAT, the Company may only be required to register and qualify the Registrable Securities in a reasonable number of jurisdictions as is customary for offerings of such type; use all commercially reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things in the opinion of the Company necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by such Registration Statement; PROVIDED, HOWEVER, that the Company shall not be required to qualify generally to do business as a foreign corporation in any jurisdiction where it is not then so qualified or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or subject the Company to any tax in any such jurisdiction where it is not then so subject;

(h) Upon the occurrence of any event contemplated by Section 4(c)(vi), as promptly as practicable, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) Use all commercially reasonable efforts to cause all Registrable Securities relating to such Registration Statement to be listed on each securities exchange, if any, on which similar securities issued by the Company are then listed;

(j) Enter into such agreements in form, scope and substance as is customary in underwritten offerings and reasonably acceptable to the Company and take all such other reasonable actions in connection therewith (including those reasonably requested by the managing underwriter or underwriters, if any, or the Holders of a majority of

the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities, and in such connection in the event of an underwritten offering, whether or not an underwriting agreement is entered into, (i) make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, with respect to the business of the Company, its subsidiaries, and a Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and confirm the same if and when requested; (ii) obtain opinions of Ziegler, Ziegler & Altman or such other counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter or underwriters, if any), addressed to each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such underwriters; (iii) obtain "cold comfort" letters and updates thereof from the independent chartered accountants of the Company (and, if necessary, any other independent chartered accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data is, or is required to be, included in a Registration Statement), addressed to each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings; (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable to the underwriters, if any, than those set forth in Section 6 hereof (or such other provisions and procedures acceptable to the managing underwriters); and (v) deliver such documents and certificates as may be reasonably requested by the managing underwriter or underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to subparagraph (i) of this Section 4(j) and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company;

(k) Make available for inspection by a representative of the Holders of Registrable Securities being sold,

any underwriter participating in any such disposition of Registrable Securities, if any, and any attorney or accountant retained by such selling Holders or underwriters, at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors, agents and employees of the Company and its subsidiaries to supply all information in each case requested by any such representative, underwriter, attorney or accountant in connection with a Registration Statement; PROVIDED, HOWEVER, that to minimize disruption and expense to the Company during the course of the registration process, such Holders shall, to the extent practicable, and at their own expense, coordinate their investigation and due diligence efforts hereunder and, to the extent practicable, will act through a single firm of attorneys and a single accounting firm; PROVIDED FURTHER, HOWEVER, that any information that is designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law, (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by such person, (iv) disclosure of such information, in the written opinion of counsel to the Company or counsel to the Holders acceptable to the Company in form and substance acceptable to the Company, is necessary or advisable in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving one or more Holders of Registrable Securities and arising out of, based on, relating to or involving this Agreement or any of the transactions contemplated hereby or arising hereunder, in which event such person shall give the Company 10 days prior written notice before any such disclosure is made, or (v) such information becomes available to such person from a source other than the Company and such source is not bound by a confidentiality agreement;

(l) Comply with all applicable rules and regulations of the SEC and make generally available to its security-holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act),

as soon as reasonably practicable after the end of any 12-month period commencing on the first day of the first fiscal quarter of the Company after the effective date of the Registration Statement, which earnings statement shall cover said 12-month period, or shorter periods as is consistent with the requirements of Rule 158; and

(m) If requested by the managing underwriter or underwriters, if any, or the Holders of a majority of the Registrable Securities being sold in connection with an underwritten offering, (x) promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters, if any, or such holders reasonably request to be included therein to comply with applicable law, (y) supplement or make amendments to such Registration Statement promptly upon receiving notification of the matter to be incorporated in such registration statement, and (z) make all required filings of such prospectus supplement or such post-effective amendment as soon as practicable after the Company (or, if applicable, a subsidiary of the Company) has received notification of the matters to be incorporated in such prospectus supplement or post-effective amendment.

The Company may require each seller of Registrable Securities to furnish to the Company such information regarding the distribution of such Registrable Securities as is required by law to be disclosed in a Registration Statement and the Company may exclude from such registration the Registrable Securities of any seller who unreasonably fails to furnish such information within a reasonable time after receiving such request.

During such time as the Holders of Registrable Securities may be engaged in a distribution of such Registrable Securities, such Holders shall comply with all of the rules and regulations of the Exchange Act and Securities Act, and pursuant thereto, shall, among other things: (i) not engage in any stabilization activity in connection with the securities of the Company in contravention of such Rules; (ii) distribute the Registrable Securities solely in the manner described in the Registration Statement; (iii) cause to be furnished to the managing underwriter or underwriters, if any, or to the offeree if an offer is not made through the managing underwriter or underwriters, if any, such copies of the Prospectus and any amendment or supplement thereto and documents incorporated by reference therein as may be required by law; and (iv) not bid

for or purchase any securities of the Company or attempt to induce any person to purchase any securities of the Company other than as permitted under the Exchange Act.

Each Holder of Registrable Securities agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(c)(ii), 4(c)(iii), 4(c)(iv), 4(c)(v) or 4(c)(vi) hereof, such Holder will forthwith discontinue disposition of such Registrable Securities until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement contemplated by Section 4(h) hereof, or until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. In the event the Company shall give any such notice, the Effectiveness Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 4(h) hereof or (y) the Advice.

5. REGISTRATION EXPENSES

The Company shall bear all expenses incident to the Company's performance of or compliance with this Agreement, including all registration and filing fees and expenses of compliance with securities or blue sky laws, including without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of Registrable Securities, printing expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange on which such securities are listed (if any), fees and disbursements of counsel for the Company and the Company's independent certified public accountants (including the expenses of any special audit conducted at the Company's option or "cold comfort" letters required by or incident to such performance). Notwithstanding the foregoing, the Company shall not be required to bear the expenses of any underwriting discounts or commissions or brokerage commissions attributable to the sale of the Registrable Securities or any out-of-pocket expenses of the Holders, including travel costs (unless such travel costs are incurred in connection with travel requested by the Company),

or the costs of any counsel or any other advisers engaged by the Holders to represent or advise them in connection with the transactions contemplated by this Agreement.

6. INDEMNIFICATION

(a) INDEMNIFICATION BY THE COMPANY. The Company will indemnify and hold harmless each seller of Registrable Securities, the officers, directors and employees of each of them, and each person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the directors, officers, agents and employees of such controlling persons, to the fullest extent lawful, from and against, and will reimburse such seller of Registrable Securities and controlling person and officer, director, employee and agent with respect to, any and all loss, claim, damage, liability, cost (including without limitation the reasonable cost of investigation of any claim) and expense, joint or several, to which such seller or controlling person, officer, director, employee or agent may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities, costs or expenses arise out of or are based on (i) any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any prospectus contained therein or any amendment or supplement thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under any of the aforementioned statutes; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Holder, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b) INDEMNIFICATION BY HOLDER OF REGISTRABLE SECURITIES. In connection with a Registration Statement in which a Holder of Registrable Securities is participating, such Holder of Registrable Securities will indemnify and hold harmless the Company, and its directors and officers, agents, representatives, any controlling person and any underwriter from and against, and will reimburse any and all such persons

and entities with respect to, any and all loss, damage, liability, cost or expense to which any of them may become subject under the Securities Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such registration statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Holder for use in the preparation thereof.

(c) CONDUCT OF INDEMNIFICATION PROCEEDINGS. If any Proceeding shall be brought or asserted against any person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party promptly shall so notify the person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with the defense thereof; PROVIDED that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations pursuant to this Agreement, except to the extent that it shall be determined by a court of competent jurisdiction in a final and nonappealable judgment that such failure shall have prejudiced the Indemnifying Party.

Any such Indemnified Party shall have the right to employ separate counsel in any such action, claim or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such action, claim or proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such action, claim or proceeding; or (3) the named parties to any such action, claim or proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indem-

nifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party), it being understood, however, that, the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all Indemnified Parties (other than counsel for which the Indemnifying Party has agreed to pay under clause (1) above), which firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse an Indemnified Party for fees and expenses of counsel as contemplated hereby, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such Indemnifying Party of the aforesaid request and (ii) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. The Indemnifying Parties shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or parties of a written release, in form and substance reasonably satisfactory to the Indemnified Party or parties, from all liability in respect of such proceeding for which such Indemnified Party would be entitled to indemnification hereunder (whether or not any Indemnified Party is a party thereto).

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such action or proceeding in a manner not inconsistent with this Section 6) shall be paid to the Indemnified Party, as incurred, within 10 Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; PROVIDED that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all

such fees and expenses to the extent it is determined by a court of competent jurisdiction in a final and nonappealable judgment that such Indemnified Party is not entitled to indemnification hereunder).

(d) CONTRIBUTION. If a claim by an Indemnified Party for indemnification under Section 6(a) or 6(b) hereof is found unenforceable by a court of competent jurisdiction (even though the express provisions hereof provide for indemnification in such case), then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6(c), any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or Proceeding. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by PRO RATA allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph.

e. OTHER INDEMNITIES. The indemnity, contribution and expense reimbursement obligations under this Section 6 shall be in addition to any liability each Indemnifying Party may otherwise have.

7. RULES 144 AND 144A

The Company shall use its reasonable best efforts to file the reports required to be filed by it under the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make publicly available other information so long as necessary to permit sales of its securities pursuant to Rule 144. The Company further covenants that it will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 or Rule 144A. Upon the request of any Holder of Registrable Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

8. UNDERWRITTEN REGISTRATIONS

If any of the Registrable Securities covered by any Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority of such Registrable Securities included in such offering after consultation with the Company and shall be reasonably acceptable to the Company.

No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

9. MISCELLANEOUS

(a) REMEDIES. In the event of a breach by the Company or by a Holder of Registrable Securities, of any of their obligations under this Agreement, each Holder of Registrable Securities or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder of Registrable Securities agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this

Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(b) SUBSEQUENT REGISTRATION RIGHTS AGREEMENTS. After the date hereof, without the written consent of the Holders of a majority of the then outstanding Registrable Securities, the Company shall not grant to any person the right to request the Company to register any securities of the Company under the Securities Act unless the rights so granted are subject in all respects to the prior rights of the Holders of Registrable Securities set forth herein, and are not otherwise in conflict or inconsistent with the provisions of this Agreement.

(c) AMENDMENTS AND WAIVERS. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of at least a majority of the then outstanding Registrable Securities; PROVIDED, HOWEVER, that for the purposes of this sentence, Registrable Securities that are owned, directly or indirectly, by the Company are not deemed outstanding. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of certain Holders of Registrable Securities and that does not directly or indirectly affect the rights of other Holders of Registrable Securities may be given by Holders of at least a majority of the Registrable Securities to which such waiver or consent relates; PROVIDED, HOWEVER, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence.

(d) NOTICES. All notices and other communications provided for herein shall be made in writing by hand-delivery, next-day air courier, certified first-class mail, return receipt requested, telex or facsimile to:

(i) If to the Purchaser, c/o Elan Corporation, plc at:

Lincoln House, Lincoln Place
Dublin 2
Ireland
Facsimile: (353) 1-662-4963

Attention: Thomas G. Lynch

with a copy to:

Cahill Gordon & Reindel
80 Pine Street
New York, New York 10005
Facsimile: (212) 269-5420
Attention: William M. Hartnett, Esq.

(ii) If to the Company at:

Gemini House
Bartholomew's Walk
Ely, Cambridgeshire England
Facsimile: (353) 646 700
Attention: Corporate Secretary

with a copy to:

Ziegler, Ziegler & Altman LLP
750 Lexington Avenue
New York, New York 10022
Facsimile: (212) 319-7605
Attention: Scott A. Ziegler, Esq.

(iii) If to any other person who is then the registered Holder of any Registrable Securities, to the address of such Holder as it appears in the stock transfer books of the Company.

Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one Business Day after being delivered to a reputable overnight delivery service for delivery on the next Business Day; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; and when receipt is acknowledged by the recipient's telecopier machine, if telecopied.

(e) SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto. The Company may not assign its rights or obligations hereunder without the prior written consent of each of the parties hereto.

(f) COUNTERPARTS. This Agreement may be executed in

any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

(h) SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of October 21, 1998.

Ethical Holdings plc

By:

Name:
Title:

Monksland Holdings B.V.

By:

Name:
Title:

Exhibit 2.7

EXECUTION COPY

AMENDMENT NO. 1

TO

REGISTRATION RIGHTS AGREEMENT AND WAIVER

Dated January 27, 2003

By and Among

AMARIN CORPORATION PLC,

ELAN INTERNATIONAL SERVICES, LTD.

AND

MONKSLAND HOLDINGS B.V.

AMENDMENT NO. 1
TO
REGISTRATION RIGHTS AGREEMENT AND WAIVER

THIS AMENDMENT NO. 1 TO REGISTRATION RIGHTS AGREEMENT AND WAIVER (this "Amendment") is made on the 27th day of January, 2003 by and among Amarin Corporation plc, a company organized under the laws of England (the "Company"), Elan International Services, Ltd., a Bermuda exempted company ("EIS"), and Monksland Holding B.V., a company organized under the laws of the Netherlands ("Monksland").

RECITALS

WHEREAS, the Company (under its previous name Ethical Holdings plc) and Monksland are parties to that certain Registration Rights Agreement dated as of October 21, 1998 (the "Agreement");

WHEREAS, concurrently herewith, the Company has requested that Monksland and EIS sell, and Monksland and EIS may agree to sell, certain Ordinary Shares (as defined in the Agreement) owned by them to unaffiliated third parties (the "New Investors");

WHEREAS, the Company will benefit from any such transfer of Ordinary Shares from Monksland and EIS to the New Investors;

WHEREAS, Monksland and the Company wish to amend the Agreement to provided, among other things, that all of the Ordinary Shares and ADSs owned by EIS and Monksland (including any owned by virtue of the conversion of Convertible Preference Shares) will be "Registrable Securities" (as defined in the Agreement) and to waive any other registration rights they may have against the Company other than pursuant to this Agreement, with the intent and effect that EIS shall with effect from the date hereof become a party to the Agreement (as hereby amended); and

WHEREAS, Section 9(c) of the Agreement provides that the Agreement may be amended with the written consent of the Holders of a majority of the Registrable Securities (as such term is defined in the Agreement) then outstanding.

AGREEMENT

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Amendments.

(a) The definitions of "Company" and "Holders" in Section 1 of the Agreement are deleted in their entirety and replaced as follows:

"`Company' shall mean Amarin Corporation plc, a company incorporated in England and Wales with registered number 2353920, and any successor company."

"`Holders' shall mean any person owning or having the right to acquire Registrable Securities, but shall not include any purchaser named in that certain Stock Purchase Agreement between EIS and the purchasers named therein which agreement is entered into in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented."

(b) A new definition is added to Section 1 of the Agreement as follows:

"`EIS' shall mean Elan International Services, Ltd., a Bermuda exempted company."

(c) The definition of "Registrable Securities" in Section 1 of the Agreement is deleted in its entirety and replaced as follows:

"`Registrable Securities' shall mean (i) the 700,000 Ordinary Shares acquired by Monksland pursuant to the share purchase agreement dated August 31, 1995; (ii) the 40,000 ADSs acquired by Monksland in an open market purchase in August 1995; (iii) the 500,000 ADSs acquired by Monksland in an open market purchase in January 1999; (iv) the 4,000,000 Ordinary Shares issuable upon conversion of the Debenture purchased by EIS (as assignee of Monksland) pursuant to the Convertible Term Loan Agreement; and (v) the Ordinary Shares previously received or to be received upon conversion of the 4,129,819 Convertible Preference Shares of the Company purchased by EIS (as assignee of Monksland) pursuant to the Second Subscription Agreement dated as of December 30, 1999 including the conversion of any part thereof (in the case of each of clauses (i) through (v) as such Ordinary Shares, Convertible Preference Shares or ADSs have been or may be adjusted for consolidations and/or stock splits and including any stock dividends or similar distributions on any such Ordinary Shares, Convertible Preference Shares or ADSs), until, in the case of any such ADS or Ordinary Share, (A) it has been registered pursuant to the Securities Act and the Registration Statement covering such ADS or Ordinary Share remains effective or such ADS or Ordinary Share has been disposed of pursuant to a Registration Statement covering it; provided, that any Ordinary Share and ADS not yet sold under the registration statement to be filed in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented, shall be "Registrable Securities," (B) subject to Section 7 hereof, it is eligible for resale by the Holder pursuant to Rule 144, (C) subject to Section 8 hereof, it shall have been otherwise transferred and a new certificate or certificates for such security not bearing a legend restricting further transfer shall have been delivered by the Company or (D) it ceases to be outstanding."

(d) Unless the context requires otherwise, all references in the Agreement to the "Purchaser" shall be deemed to mean Monksland, EIS and each other Holder.

(e) Section 2(a) of the Agreement is deleted in its entirety and replaced with the following:

"(a) Requests for Registration. At any time after October 1, 2003, any Holder or Holders who collectively hold Registrable Securities representing at least 5% of the Registrable Securities then outstanding shall have the right (subject to the limitations set forth below), exercisable by written notice to the Company (each, a "Registration Request"), to have the Company prepare and file with the Commission a Registration Statement under the Securities Act covering the Registrable Securities that are the subject of such Registration Request (each, a "Demand Registration"). Within 10 days after receipt of any such Registration Request, the Company will give written notice of such Registration Request to all other Holders of Registrable Securities. The Company shall include such other Holders' Registrable Securities in such Registration Statement if they have responded affirmatively within 10 days after the receipt of the Company's notice. The Company shall, within 60 days of receiving a Demand Request, file a Registration Statement with the SEC covering the offering and sale of the Registrable Securities which the Holders have requested to be included in such Registration Statement; provided, that for so long as the registration statement to be filed in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented, has been filed and has become and remains effective (the "Effectiveness Condition"), the Company shall not be required to file a Registration Statement pursuant to this Section 2(a) prior to January 1, 2004. The Holders shall be permitted, in the aggregate amongst all Holders, two Demand Registrations hereunder. A Registration Request under this Section 2(a) will not count as a Demand Registration until the registration statement has become effective. If the Holders of a majority of the Registrable Securities included in a Registration Statement filed pursuant to this Section 2(a) so elect after determining in good faith that an underwritten offering is in such Holders' best economic interest, the offering of Registrable Securities pursuant to the Registration Statement shall be affected in the form of an underwritten offering; provided, that at least 1,000,000 Registrable Securities (as adjusted for any stock split or similar action occurring after the date of this Amendment) shall be included in such offering; provided, further, that for so long as the Effectiveness Condition is met, the Holders may not commence any underwritten offering pursuant to this Section 2(a) prior to January 1, 2004."

(f) The second subsection 2(b) is redesignated "2(c)" and new subsections 2(d) though 2(g) are added to Section 2 of the Agreement as follows:

"(d) Priority on Demand Registrations. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, which can be sold in such offering without adversely affecting the marketability of the offering, the Company will include in such registration:

(i) first, the Registrable Securities requested to be included in such registration by the Holders (or, if necessary, such Registrable Securities pro rata

among the Holders thereof based upon the number of Registrable Securities requested to be included in such registration by each such Holder or such other arrangement agreed to among the Holders); and

(ii) thereafter, other securities requested to be included in such registration, as determined by the Company.

The Holders of any Registrable Securities to be included in such an underwritten offering shall enter into an underwriting agreement (which shall be in customary form, may include agreements as to indemnification and contribution and shall provide that the representations and warranties by the Company to and for the benefit of such underwriters, shall also be made to and for the benefit of such Holders).

(e) Right to Piggyback. If at any time the Company shall propose to register any ADSs or Ordinary Shares under the Securities Act (other than in a registration statement (x) relating solely to sales of securities to participants in a Company dividend reinvestment plan, (y) on Form F-4 or any successor form in connection with an acquisition or exchange offer or (z) relating solely to an offering of securities to the existing shareholders or employees of the Company), the Company (i) will give prompt written notice to all Holders of Registrable Securities of its intention to effect such a registration and (ii) subject to Section 2(e) and the other terms of this Agreement, will include in such registration all Registrable Securities which are permitted under applicable securities laws to be included in the form of Registration Statement selected by the Company and with respect to which the Company has received written requests for inclusion therein within 10 days after the receipt of the Company's notice (each, a "Piggyback Registration"). The Holders will be permitted to withdraw all or any part of the Registrable Securities from a Piggyback Registration at any time prior to the effective date of such Piggyback Registration.

(f) Priority on Piggyback Registrations. If a Piggyback Registration is to be an underwritten offering, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company will include in such registration:

(i) first, the securities the Company proposes to sell for its own account;

(ii) second, the securities to be included for the account of any shareholder (other than the Holders) pursuant to any demand or similar registration right;

(iii) third, the Registrable Securities requested to be included in such registration by the Holders and any securities requested to be included in such registration by any other person pursuant to a piggyback registration request, other than persons having a lower priority of registration than the Holders, pro rata among the Holders of such Registrable Securities and such other persons, on the basis of the number of securities requested to be included in such registration by each of such Holders and such other persons; and

(iv) thereafter, other securities requested to be included in such registration, as determined by the Company.

The Holders of any Registrable Securities to be included in an underwritten offering shall enter into an underwriting agreement (which shall be in customary form, may include agreements as to indemnification and contribution, and shall provide that the representations and warranties by the Company to and for the benefit of such underwriters, shall also be made to and for the benefit of such Holders).

(g) Right to Terminate Registration. If at any time after giving written notice of its intention to register any of its securities or any securities of any other holder registering securities other than the Registrable Securities as set forth in Section 2(e) and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company may, at its election, give written notice of such determination to each Holder of Registrable Securities and thereupon be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith as provided herein). (g) The last sentence of Section 4(a) of the Agreement is deleted in its entirety and replaced with the following:

"The Company shall not file a Registration Statement under Section 2(a) hereof or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object on a timely basis and the Company shall not file a Registration Statement under Section 2 hereof or any such Prospectus or any amendment or supplement thereto containing any statement about a Holder to which such Holder shall reasonably object on a timely basis."

(h) A new Section 4(n) of the Agreement is added to the Agreement as follows:

"(n) In each underwritten offering effected pursuant to Section 2, the Company shall use commercially reasonable efforts to cause its senior management to assist in customary selling efforts relating to the Registrable Securities included in such underwritten offering as reasonably requested by the managing underwriter, including, but not limited to, participating in usual and customary "roadshows" in connection with such underwritten offering."

(i) Section 5 of the Agreement is deleted in its entirety and replaced with the following:

"5. Registration Expenses

The Company shall bear all expenses incident to the Company's performance of or compliance with this Agreement, including all registration and filing fees and expenses of compliance with securities or blue sky laws, including without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of Registrable Securities, printing expenses, the fees and expenses incurred in connection

with the listing of the securities to registered on any securities exchange on which such securities are listed (if any), fees and disbursements of counsel for the Company and the Company's independent certified public accountants (including the expenses of any special audit conducted at the Company's option or "cold comfort" letters required by or incident to such performance), fees of the depositary with respect to any exchange of Ordinary Shares for ADSs by any Holder and any out-of-pocket expenses of the Company and management of the Company in connection with any "roadshow." Notwithstanding anything in this Section 5 to the contrary, the Company shall not be required to bear the expense of any underwriting discounts or commissions or brokerage commissions or reimburseable expenses of the underwriter, in each case, attributable to the sale of the Registrable Securities or any out-of-pocket expenses of the Holders, including travel costs (unless such travel costs are incurred in connection with travel requested by the Company), or the costs of any counsel or any other advisers engaged by the Holders to represent or advise them in connection with the transactions contemplated by this Agreement."

(j) Section 8 of the Agreement is amended by adding a third paragraph as follows:

"Notwithstanding the first paragraph of this Section 8, the investment banker or investment bankers and manager or managers that will manage an underwritten offering pursuant to a Piggyback Registration will be selected by the Company after consultation with the Holders and shall be reasonably acceptable to the Holders of a majority of the Registrable Securities included in such offering."

(k) Clause (i) of Section 9(d) of the Agreement is deleted in its entirety and replaced with the following:

"(i) If to Monksland, to it at

Monksland Holdings B.V.
Rivierstaete Office Building - 6th Floor
Amsteldijk 166
1079 LH Amsterdam
The Netherlands

Attention: Pieter Bosse/Marielle Stijger
Fax: +31 20 642 3185

If to EIS, to it at:

c/o Elan International Services Ltd.
102 St. James Court
Flatts,
Smiths FL04
Bermuda

Attention: Secretary
Fax: +1 441 292 2224

with a copy (in the case of each of Monksland and EIS) to:

Cahill Gordon & Reindel
80 Pine Street
New York, New York 10005
Facsimile: (212) 269-5420
Attention: William M. Hartnett, Esq."

(ii) If to the Company to:

Amarin Corporation plc
7 Curzon Street
London W1J 5HG
England

Facsimile: +44 20 7499 9004
Attention: General Counsel & Company Secretary

With a copy to:

Covington & Builing
265 Strand
London WC2R 1BH

Facsimile: +44 20 7067 2222
Attention: Kelly Vance, Esq."

(l) Section 9(e) of the Agreement is deleted in its entirety and replaced with the following:

"(e) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto. The Company may not assign its rights or obligations hereunder without the prior written consent of each of the parties hereto. The rights granted to any Holder under this Agreement may be assigned to any person in connection with any transfer or assignment of Registrable Securities by a Holder; provided that (a) such transfer is otherwise in accordance with applicable securities laws and any agreement with the Company to which the Holder is a party and (b) if not already a party hereto, the assignee or transferee agrees in writing prior to such transfer to be bound by the provisions of this Agreement; and provided further that the Holder shall not be entitled to assign any of its rights or obligations under this Agreement to any purchaser named in that certain Stock Purchase Agreement between EIS and the purchasers named therein in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented.

2. Waiver of Other Registration Rights. Each of EIS and Monksland hereby irrevocably waive any other registration rights they may have (other than the rights granted to EIS and Monksland with respect to the registration statement to be filed by the Company in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented) including pursuant to the registration rights agreement dated as of August 31, 1995 and the Second Subscription Agreement dated as of December 30, 1999.

3. Effect of Prior Agreement. Except as set forth herein, the Agreement shall remain in full force and effect. The Agreement and this Amendment shall be read and construed as one agreement. If any of the terms of the Agreement shall conflict with any of the terms of this Amendment, the terms of this Amendment shall control.

4. Acknowledgment by EIS and Monksland. Each of EIS and Monksland hereby consent to the registration rights granted by the Company to the investors in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or

supplemented and any shares purchased by such investors from EIS(provided that EIS and Monksland do not consent to any increase in the registration rights beyond those described in such Amended Confidential Private Placement Memorandum as of the date hereof except that such registration statement may remain effective with respect to such investors for up to two years from the date it becomes effective).

5. Agreement by the Company. The Company hereby agrees (i) to include all of the Registrable Securities in the registration statement filed in connection with the Company's private placement of Ordinary Shares as described in the Company's Amended Confidential Private Placement Memorandum, dated December 10, 2002, as the same may be amended or supplemented; (ii) to file such registration statement with the Securities and Exchange Commission no later than April 24, 2003; (iii) to use reasonable efforts to cause such registration statement to become effective no later than June 24, 2003; and (iv) to keep such registration statement effective until the earlier of (x) two years from the date such registration statement becomes effective and (y) the date on which all Registrable Securities of EIS and Monksland have either been sold pursuant to such registration statement or registered pursuant to Section 2(a) hereof.

6. Successors and Assigns. The terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Amendment, express or implied, is intended to confer upon any party, other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Amendment, except as expressly provided in this Amendment.

7. Governing Law. This Amendment shall be governed by and construed under the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflicts of law.

8. Titles and Subtitles. The titles and subtitles used in this Amendment are used for convenience only and are not to be considered in construing or interpreting this Amendment.

9. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

AMARIN CORPORATION PLC

By: /s/ Richard Stewart
Name: Richard Stewart
Title: Chief Executive Officer

MONKSLAND HOLDINGS BV

By: /s/ Pieter Bosse and Klass Van Blanken
Name: Pieter Bosse and Klass Van Blanken
Title: Managing Directors

ELAN INTERNATIONAL SERVICES, LTD.

By: /s/ Kevin Insley
Name: Kevin Insley
Title: President

Exhibit 2.11

EXHIBIT A

Form of Subscription Agreement and Regulation D Qualification Statement

AMARIN CORPORATION PLC

SUBSCRIPTION AGREEMENT

Amarin Corporation plc
7 Curzon Street
London W1J 5HG
United Kingdom

Gentlemen:

Pursuant to the terms of the offer contained in the Amended Confidential Private Placement Memorandum, dated December 10, 2002 (the "Memorandum"), the undersigned (the "Investor") hereby tenders to Amarin Corporation plc, a public limited company registered in England and Wales with its registered office at the above address (the "Company"), this subscription for, and offers to purchase the number of ordinary shares of Pound Sterling1.00 each in the capital of the Company as will equal the aggregate purchase price set forth on the signature page hereto, rounded down to the nearest whole share (the "Securities"), at the per share purchase price determined in accordance with the Memorandum, namely at a price per share equal to 90% of the average closing prices of the Company's American Depositary Shares on the Nasdaq National Market over the five trading days ending on the trading day immediately prior the Closing Date (as defined in the Memorandum).

In order to induce the Company to accept this subscription, the Investor represents, warrants to, and covenants with, the Company, as follows:

1. Accredited Investor. The Investor is an "accredited investor," as such term is defined in Section 501(a) of Regulation D of the Rules and Regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act"), under one or more of the categories set forth on the attached Annex 1 "Regulation D Qualification Statement."

2. Purchase For Own Account. The Investor is purchasing the Securities solely for investment purposes, for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any Securities, except in accordance with US securities laws.

3. Private Offering. The Investor understands that (A) the Securities have not been registered under the Securities Act or the securities laws of any state or other jurisdiction in reliance upon exemptions, including an exemption pursuant to Rule 506 under the Act, from such registration

requirements for non-public offerings; (B) the Securities may not be re-offered, resold, pledged or otherwise transferred unless they have been first registered under the Act and all applicable state securities laws, or unless exemptions from such registration provisions are available with respect to said resale or transfer; and (C) the Company is under no obligation to register the Securities under the Act or any state securities laws, or to take any action to make any exemption from any such registration provisions available except as set out in the Registration Rights Agreement, the form of which is set out as Exhibit B to the Memorandum (the "Registration Rights Agreement").

4. Transfer Restrictions. The Investor understands and agrees that each certificate or other document evidencing any of the Securities shall be endorsed with a legend in substantially the form set forth below as well as any other legends required by applicable law, and the Investor covenants that the Investor shall not transfer the Securities represented by any such certificate without complying with the restrictions on transfer described in the legends endorsed on such certificate:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND REGISTERED OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS OR (B) EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS ARE AVAILABLE. AS A CONDITION TO PERMITTING ANY TRANSFER OF THESE SECURITIES, THE COMPANY MAY REQUIRE THAT IT BE FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION OR QUALIFICATION IS LEGALLY REQUIRED FOR SUCH TRANSFER.
>
> NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITIES MAY NOT BE DEPOSITED INTO ANY DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SECURITIES ESTABLISHED UNLESS AND UNTIL SUCH TIME AS A REGISTRATION STATEMENT IS IN EFFECT AS TO SUCH SECURITIES UNDER THE SECURITIES ACT OR UNLESS THE OFFER AND SALE OF SUCH SECURITIES IS EXEMPT FROM REGISTRATION UNDER THE PROVISIONS OF THE SECURITIES ACT.

5. Investor Status.

(a) If the Investor is a corporation, partnership or other entity:

(i) it was not organized or reorganized for the purpose of purchasing the Securities, and

(ii) it is authorized, empowered and qualified to execute this Subscription Agreement and to make the commitment as herein contemplated.

(b) If the Investor is an individual, the Investor is 21 years of age or older.

6. Investor's Business Experience. The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the investment in the Securities and the Investor has made its or his own investment decision regarding the Securities based on the Investor's own knowledge and investigation of the Company and the Securities.

7. Availability of Information. The Investor acknowledges that all documents, records and books pertaining to the investment in the Company and requested by the Investor have been made available or delivered to the Investor.

8. Opportunity to Ask Questions. The Investor has (a) been offered the opportunity to ask questions of and receive answers from the Company, or a person or persons acting on behalf of the Company, concerning the terms and conditions of the offering and the business (both current and proposed) of the Company, (b) been furnished all other materials which the Investor considered relevant to an investment in the Securities and (c) been given the opportunity to perform due diligence. The Investor acknowledges that all such questions, if any, have been answered, and all due diligence (if any) has been performed, to the full satisfaction of the Investor.

9. Discussion with Counsel. The Investor has read this Subscription Agreement and, to the extent the Investor believed necessary, has discussed the representations, warranties and agreements that the undersigned makes by signing these documents and the applicable limitations upon the Investor's resale of the Securities with its counsel.

10. Private Placement Memorandum. The Investor has received and carefully reviewed the Memorandum and, to the extent the Investor deems appropriate, has discussed the Memorandum with representatives of the Company. The Investor is also aware of and acknowledges the following:

(a) that the purchase of the Securities is a speculative investment that involves a high degree of risk of loss by the Investor of his or its entire investment in the Company;

(b) that there are substantial restrictions on the transferability of the Securities, there will be no public market for the Securities and the Investor may be required to bear the financial risks of this investment for an indefinite period of time;

(c) that no Federal or state agency has made any finding or determination regarding the fairness of this offering for investment, or any recommendation or endorsement of the Securities;

(d) that neither the officers, directors, agents, affiliates or employees of the Company, nor any other person, has expressly or by implication, made any representation or warranty concerning the Company other than as set forth in the Memorandum ; and

(e) that the past performance or experience of the Company, the Company's officers, directors, agents, or employees, will not in any way indicate or predict the results of the ownership of Securities or of the Company's activities.

11. Confidentiality. The Investor has not reproduced, duplicated or delivered the Memorandum, the Registration Rights Agreement or this Subscription Agreement to any person other than its investment and legal advisors in connection with the investment.

12. Investor Qualification. The Regulation D Qualification Statement being delivered by the Investor to the Company simultaneously herewith is true, complete and correct in all material respects; and the Investor understands that the Company has determined that the exemption from the registration provisions of the Act, which is based upon non-public offerings, is applicable to the offer and sale of the Securities, based, in part, upon the representations, warranties and agreements made by the Investor herein and in such Regulation D Qualification Statement.

13. Authority; Enforceability. The execution, delivery and performance by the Investor of this Subscription Agreement and the Registration Rights Agreement are within the powers of the Investor, have been duly authorized and will not constitute or result in a breach or default under or conflict with any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which the Investor is a party or by which the Investor is bound, and, if the Investor is not an individual, will not violate any provisions of the incorporation papers, by-laws, indenture of trust or partnership agreement, as may be applicable, of the Investor. Each of this Subscription Agreement and the Registration Rights Agreement constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

14. Obligations of the Investor and the Company. The Investor understands and agrees that (i) the Company's obligations under this Subscription Agreement are not binding upon the Company until the Company accepts the Investor's subscription, which acceptance is at the sole discretion of the Company and is to be evidenced by the Company's execution of this Subscription Agreement where indicated; and (ii) the Company may, in its sole discretion, reject this subscription in whole or in part and reduce this subscription in any amount and to any extent, whether or not pro rata reductions are made to any other Investor's subscription.

15. Indemnification. The undersigned agrees to indemnify the Company and its officers and directors and to hold them harmless from and against any and all losses, damages, liabilities, costs and expenses they may sustain or incur in connection with the breach by the undersigned of any representation, warranty or covenant made by the Investor.

16. Updates of Information. The Investor agrees to advise the Company promptly of any changes or inaccuracies in the information provided to the Company that may occur prior to the termination of the offering and to furnish supplementary information as may be appropriate.

17. No Assignment. Neither this Subscription Agreement nor any of the rights or obligations of the Investor hereunder may be transferred or assigned by the Investor.

18. General. This Subscription Agreement (i) may only be modified by a written instrument executed by the Investor and the Company; (ii) sets forth the entire agreement of the Investor and the Company with respect to the subject matter hereof; (iii) supersedes all prior communications between the Investor and the Company, whether oral or written; (iv) shall be governed by the laws of the State of New York applicable to contracts made and to be wholly performed therein; and (v) shall inure to the benefit of, and be binding upon the Company and the Investor and their respective heirs, legal representatives, successors and assigns. Unless the context otherwise requires, all personal pronouns used in this Subscription Agreement, whether in the masculine, feminine or neuter gender, shall include all other genders. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

19. Disputes. The parties hereby agree that any dispute which may arise between them arising out of or in connection with this Subscription Agreement may be adjudicated before a court located in New York City and they hereby submit to the non-exclusive jurisdiction of the courts of the State of New York located in New York, and of the federal courts in the Southern District of New York, with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Subscription Agreement or any acts or omissions relating to the sale of the Securities hereunder, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth below or such other address as the Investor shall furnish in writing to the Company.

20. Principal Residence or Principal Place of Business. The address shown under the Investor's signature at the end of this Subscription Agreement is the Investor's principal residence if he is an individual or its principal place of business if it is a corporation or other entity.

21. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, by facsimile or mailed by certified or registered mail, return receipt requested, postage prepaid, as follows:

if to the Investor, to the address set forth on the signature page hereof

if to the Company, to:

Amarin Corporation plc
7 Curzon Street
London W1J 5HG
United Kingdom
Fax: +44 (0) 207 499 9004
Attn: General Counsel & Company Secretary

IN WITNESS WHEREOF, the Investor has executed this Subscription Agreement on this _____ day of _____, 200_.

For Individual Investors:

- ---
Signature

Name (Please Print)

For Investors other than Individuals:

Name of Entity (Please Print)

By:

Signature

Name (Please Print)

Title

All Investors:

Residence or Principal Place of Business:

- ---

- ---

Taxpayer Identification Number or Social Security Number:

Aggregate Purchase Commitment:

US$:

- ---

Price Per Share: To be determined in accordance with the Memorandum, namely at a price per share equal to 90% of the average closing prices of the Company's American Depositary Shares on the Nasdaq National Market over the five trading days ending on the trading day immediately prior the Closing Date (as defined in the Memorandum)

On this ___ day of _____, 200_, on behalf of the Company, a subscription for _____ Securities is hereby accepted.

AMARIN CORPORATION PLC

By:

[Amarin Signatory]

ANNEX 1
TO
SUBSCRIPTION AGREEMENT

REGULATION D

QUALIFICATION STATEMENT

The undersigned qualifies as an "accredited investor" pursuant to Regulation D under the Securities Act of 1933, as amended (the "1933 Act"), as a result of its or his status as (check the appropriate description(s)):

_____ 1. any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

_____ 2. a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

_____ 3. an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

_____ 4. a trust with total assets greater than $5,000,000, not formed for the purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment;

_____ 5. an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if any of the following apply:

_____ (i) the employee benefit plan has total assets in excess of $5,000,000;

_____ (ii) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser; or

(iii) the plan is a self-directed plan in which the investment decisions are made solely by persons who are accredited investors. (Please put an "*" in the appropriate description(s) to indicate how the person(s) making investment decisions are "accredited"); or

_____ 6. a natural person whose individual net worth, or joint net worth with his or her spouse, exceeds US$1,000,000;

_____ 7. a natural person who had an individual income in excess of US$200,000 in each of the two most recent years, or joint income with his or her spouse in excess of US$300,000 in each of those years, and who has a reasonable expectation of reaching the same income level in the current year; or

_____ 8. an entity in which all of the equity owners are "accredited investors" under any one or more of the categories specified in subparagraphs 1 through 7 above.

Dated: _____, 200_

If Investor is a corporation or other entity:

_____
INVESTOR'S NAME

By: _____
Name:
Title:

If Investor is an individual:

_____

Name (Please print): _____

EXHIBIT B

Form of Registration Rights Agreement

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, 200_ (the "Effective Date") between Amarin Corporation plc, a public limited company organized under the laws of England (the "Company"), and the parties set forth on the signature pages hereto (each, a "Purchaser" and collectively, the "Purchasers").

R E C I T A L S:

A. Each Purchaser has delivered to the Company a Subscription Agreement in connection with the Amended Confidential Private Placement Memorandum of the Company dated December 10, 2002, offering to purchase from the Company the amount of ordinary shares, par value Pound Sterling 1.00 per share, of the Company as in such Subscription Agreement.

B. The Company has, in whole or in part, accepted each Purchaser's subscription and delivered to such Purchaser a Subscription Agreement, countersigned by the Company (as so countersigned and delivered, the "Purchase Agreement").

C. Pursuant to the Subscription Agreement, on the date hereof the Company is issuing to each Purchaser, and each Purchaser is purchasing, the number of ordinary shares, par value Pound Sterling 1.00 per share, of the Company set forth in the Subscription Agreement, as accepted by the Company.

D. The Company and each Purchaser desire to set forth the registration rights to be granted by the Company to the Purchasers.

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, and conditions set forth herein and in the Purchase Agreement, the parties mutually agree as follows:

A G R E E M E N T:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Blackout Period" shall mean, with respect to a registration statement, a period or periods not in excess of an aggregate 90 calendar days in any calendar year during which the Company, in the good faith judgment of its Board of Directors, determines (because of the existence of, or in anticipation of, any acquisition, financing activity, or other transaction involving the Company, or the unavailability for reasons beyond the Company's control of any required financial statements, disclosure of information which is in its best interest not to publicly disclose, or any other event or condition of similar significance to the Company) that the registration and distribution of the Registrable Securities to be covered by such registration statement, if any, would be seriously detrimental to the Company and its shareholders.

"Commission" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Family Member" shall mean with respect to any individual, such individual's spouse, any descendants (whether natural, adopted or in the process of adoption), any trust all of the beneficial interests of which are owned by any of such individuals or by any of such individuals together with any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the estate of any such individual, and any corporation, association, partnership or limited liability company all of the equity interests of which are owned by those above described individuals, trusts or organizations.

"Form F-3" shall mean such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the Commission, which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the Commission.

"Holder" shall mean each Purchaser or any of such Purchaser's respective successors and assigns who acquire rights in accordance with this Agreement with respect to the Registrable Securities directly or indirectly from such Purchaser, including any Permitted Assignee of such Holder.

"Permitted Assignee" shall mean (a) with respect to a partnership, its partners or former partners in accordance with their partnership interests, (b) with respect to a corporation, its shareholders in accordance with their interest in the corporation, (c) with respect to a limited liability company, its members or former members in accordance with their interest in the limited liability company, (d) with respect to an individual party, any Family Member of such party, (e) with respect to any entity, an other entity that is controlled by, controls, or is under common control with such entity, or (f) a party to this Agreement.

The terms "register", "registered" and "registration" refers to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"Registrable Securities" shall mean ordinary shares, par value Pound Sterling 1.00 per share, of the Company issued to a Purchaser pursuant to a Purchase Agreement, excluding (a) any such shares that have been publicly sold or may be sold immediately without registration under the Securities Act either pursuant to Rule 144 of the Securities Act or otherwise; (b) any such shares sold by a person in a transaction pursuant to a registration statement filed under the Securities Act or (c) any such shares that are at the time subject to an effective registration statement under the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

2. Registration. Subject to the terms and conditions hereof, as promptly as reasonably practicable after the date hereof, but in any event not later than 90 days from the Effective Date, the Company shall use its reasonable efforts to file a shelf registration statement on Form F-1 or, if the Company is eligible to use such form, Form F-3 relating to the resale by the Holders of the Registrable Securities from time to time in accordance with the methods of distribution set forth in such registration statement and Rule 415 under the Securities Act; provided, however, that the Company shall not be obligated to effect any such registration pursuant to this Section 2, or to keep such registration effective pursuant to Section 3, during any Blackout Period or if the means of distribution involves an underwritten offering; and provided further, that if the Company does not meet the eligibility requirements to use such Form F-1 or F-3, it shall instead use its reasonable efforts to file a shelf registration statement on Form S-1 or S-3, as the case may be. Each Purchaser

hereby acknowledges that any registration statement filed pursuant to this Section 2 will include Registrable Securities held by other Purchasers and may include securities held by other shareholders of the Company.

3. Registration Procedures. In the case of the registration effected by the Company pursuant to Section 2 hereof, the Company will keep each Holder reasonably advised in writing as to the initiation of each registration and as to the completion thereof. Subject to the terms and conditions hereof, at its expense with respect to any registration statement filed pursuant to Section 2, the Company will use its reasonable efforts to:

(a) prepare and file with the Commission with respect to such Registrable Securities shelf registration statement on Form F-1 (or S-1, as the case may be) or, if the Company is eligible to use such form, Form F-3 (or S-3, as the case may be), and use its reasonable efforts to cause such registration statement to become and remain effective at least for a period ending with the first to occur of (i) the sale of all Registrable Securities covered by the registration statement, (ii) the availability under Rule 144 for the Holder to immediately, freely resell without restriction all Registrable Securities remaining to be sold under the registration statement, and (iii) one year after a registration statement filed pursuant to Section 2(a) is declared effective by the Commission (the "Effectiveness Period");

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective during the Effectiveness Period;

(c) furnish, without charge, to each Holder of Registrable Securities covered by such registration statement one (1) signed copy of such registration statement (excluding any exhibits thereto other than applicable underwriting documents), each amendment and supplement thereto (including one (1) conformed copy to each Holder, including all exhibits thereto), and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any other prospectus filed under Rule 424 under the Securities Act) as such Holders may reasonably request, in conformity with the requirements of the Securities Act;

(d) register or qualify such Registrable Securities under such other applicable securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities covered by such registration statement reasonably requests as may be necessary for the marketability of the Registrable Securities (such request to be made not more than 10 days after the applicable registration statement is filed with the Commission) and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided that the Company shall not be required to (i) qualify generally to do business in any particular jurisdiction in which the Company would be required to qualify to do business as a foreign corporation or as a dealer in securities under the securities or blue sky laws of such jurisdiction or to execute a general consent to service of process in effecting such registration, qualification or compliance, in each case where it has not already done so, or (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction;

(e) promptly notify each Holder of such Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event which comes to the Company's attention if as a result of such event the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading and the Company shall promptly prepare and furnish to such Holder a supplement or amendment to such prospectus (or prepare and file appropriate reports under the Exchange Act) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated

therein or necessary to make the statements therein not misleading, unless suspension of the use of such prospectus otherwise is authorized herein or in the event of a Blackout Period, in which case no supplement or amendment need be furnished (or Exchange Act filing made) until the termination of such suspension or Blackout Period; and

(f) comply, and continue to comply during the period that such registration statement is effective under the Securities Act, in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission with respect to the disposition of all securities covered by such registration statement, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

Each Holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(e) hereof or of the commencement of a Blackout Period, such Holder shall discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(e) hereof or notice of the end of the Blackout Period, and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies (including, without limitation, any and all drafts), other than permanent file copies, then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

4. Registration Expenses. The Company shall pay all expenses in connection with any registration, including, without limitation, all registration, filing, stock exchange and NASD fees, printing expenses, all fees and expenses of complying with securities or blue sky laws, the fees and disbursements of counsel for the Company and of its independent accountants, and the reasonable fees and expenses of one counsel reasonably acceptable to the Company ("Holders Counsel") selected by the Holders of a majority of the Registrable Securities covered by such registration statement; provided that the reasonable fees and disbursements of Holders Counsel shall not exceed in the aggregate with respect to all registrations $10,000. Except as provided in this Section 4 and in Section 7, the Company shall not be responsible for the expenses of any attorney or other advisor employed by a Holder of Registrable Securities.

5. Assignment of Rights. No Holder may assign its rights under this Agreement to any party without the prior written consent of the Company; provided, however, that a Holder may assign its rights under this Agreement without such restrictions to a Permitted Assignee so long as such Permitted Assignee agrees in writing addressed to the Company to be bound to the provisions of this Agreement.

6. Information by Holder. The Holder or Holders of Registrable Securities included in any registration shall furnish to the Company in a timely manner such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as the Company may from time to time reasonably request in writing. No Holder shall be entitled to be named as a selling security holder in a registration statement or have its Registrable Securities included therein, and no Holder shall be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless such Holder has furnished such information within a reasonable time after receiving such a request.

7. Indemnification.

(a) In the event of the offer and sale of Registrable Securities held by Holders under the Securities Act, the Company shall, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder, its directors, officers, partners and each person, if any, who controls or is under common control

with such Holder within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, and expenses to which the Holder or any such director, officer, partner or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such shares were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances in which they were made not misleading, and the Company shall reimburse the Holder, and each such director, officer, partner and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding; provided that (i) the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company or through an instrument duly executed by or on behalf of such Holder specifically stating that it is for use in the preparation thereof, and (ii) the foregoing indemnity with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, shall not inure to the benefit of any Holder (or any person controlling such Holder) from whom the person asserting any such losses, claims, damages, liabilities or expenses purchased the securities concerned, to the extent that a prospectus (as then amended or supplemented) relating to such securities was required by law to be delivered to such person under the Securities Act and such Holder failed to send or give to such person a copy of the prospectus (as then amended or supplemented) if the Company had previously furnished copies thereof to such Holder and if the prospectus (as then amended or supplemented) would have cured the defect giving rise to such loss, claim, damage, liability or expense. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders, or any such director, officer, partner or controlling person and shall survive the transfer of such shares by the Holder.

(b) Each Purchaser shall, and hereby does, indemnify and hold the Company, its directors and officers and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information about such Holder as a Holder of the Company furnished to the Company, and such Holder shall reimburse the Company, and each such director, officer, partner and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer by any Holder of such shares. As a condition to including any Registrable Securities to be offered by a Holder who is not also a Purchaser in any registration statement filed pursuant to this Agreement, the Company shall have received an undertaking from such Holder to be bound by the terms of this Section 7.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 7(a) or (b) hereof (including any governmental action), such

indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 7(a) or (b) hereof, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest between such indemnified and indemnifying parties may exist or the indemnified party may have defenses not available to the indemnifying party in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties arises in respect of such claim after the assumption of the defenses thereof or the indemnifying party fails to defend such claim in a diligent manner, other than reasonable costs of investigation. Neither an indemnified nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent which shall not be unreasonably withheld. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party shall have the right to retain, at its own expense, counsel with respect to the defense of a claim.

(d) In the event that an indemnifying party does or is not permitted to assume the defense of an action pursuant to Section 7(c) or in the case of the expense reimbursement obligation set forth in Sections 7(a) and (b), the indemnification required by Sections 7(a) and (b) hereof shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expenses, losses, damages, or liabilities are incurred.

(e) If the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, (i) shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense as is appropriate to reflect the proportionate relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense as is appropriate to reflect not only the proportionate relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

(f) Other Indemnification. Indemnification similar to that specified in the preceding subsections of this Section 7 (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

8. Miscellaneous

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED AND PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF TO THE EXTENT SUCH PRINCIPLES WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER STATE.

(b) Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, executors, and administrators of the parties hereto.

(c) Entire Agreement. This Agreement and the Purchase Agreement, together with the documents referred to herein and therein, contain the entire agreement of the parties with respect to the subject matter hereof and supersede and are in full substitution for any and all prior oral or written agreements and understandings between them related to such subject matter, and no party hereto shall be liable or bound to any other party hereto in any manner with respect to such subject matter by any representations, indemnities, covenants or agreements except as specifically set forth herein and therein.

(d) Notices. All notices or other communications which are required or permitted under this Agreement shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

If to the Company:	Amarin Corporation plc 7 Curzon Street London W1J5HG, England Fax: +44.20.7499.9004 Attention: General Counsel
with a copy to:	Amarin Pharmaceuticals Inc. Two Belvedere Place, Suite 330 Mill Valley, California 94941 USA Fax: +1.415.389.4756 Attention: Executive Vice President
If to the Purchasers:	To each Purchaser at the address set forth in such Purchaser's Purchase Agreement

or at such other address as any party shall have furnished to the other parties in writing.

(e) Delays or Omissions. Subject to Section 8(h) below, no delay or omission to exercise any right, power or remedy accruing to any Holder of any Registrable Securities on the one hand and the Company on the other, upon any breach or default of the other under this Agreement, shall impair any such right, power or remedy of such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereunder occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

Any waiver, permit, consent or approval of any kind or character on the part of any party to this Agreement of any breach or default under this Agreement, or any waiver on the part of any party to this Agreement of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

(f) Counterparts; Facsimiles. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties. In no event shall this Agreement be binding against the Company by any Purchaser until the Company shall have delivered to such Purchaser a copy of this Agreement, signed by the Company. This Agreement may be executed by any party by the delivery by such party by facsimile of a copy of the signature page of this Agreement duly executed by such party. Any copy of this Agreement so executed by facsimile shall be deemed to be an originally executed copy of this Agreement.

(g) Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

(h) Amendments. The provisions of this Agreement may be amended at any time and from time to time, and particular provisions of this Agreement may be waived, with and only with an agreement or consent in writing signed by the Company and by the holders of a majority of the number of shares of Registrable Securities outstanding as of the date of such amendment or waiver; provided that without the consent in writing of all holders of the Registrable Securities, no such agreement or consent shall reduce the percentage of the number of Registrable Securities the consent of the Holders of which shall be required under this Section 8(h). The Purchasers acknowledge that by the operation of this Section 8(h), the holders of a majority of the outstanding Registrable Securities may have the right and power to diminish or eliminate all rights of the Purchasers under this Agreement.

(i) Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

[Remainder of Page Intentionally Left Blank]

This Registration Rights Agreement is hereby executed by the Company as of the Effective Date.

COMPANY:

AMARIN CORPORATION PLC

By: ----------

Name: ----------

Its: ----------

This Registration Rights Agreement is hereby executed by the undersigned Purchaser as of the Effective Date.

PURCHASER:

By: _____

Name: _____

Its: _____

Exhibit 4.1

AMENDED AND RESTATED

ASSET PURCHASE AGREEMENT

by and between

ELAN PHARMACEUTICALS, INC.,

and

AMARIN CORPORATION, PLC,

dated as of September 29, 1999

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AMENDED AND RESTATED
ASSET PURCHASE AGREEMENT

This Amended and Restated Asset Purchase Agreement (this "Agreement") is made and entered into as of September 29, 1999 by and between Amarin Corporation, PLC, a United Kingdom public limited company ("Buyer") and Elan Pharmaceuticals, Inc., a Delaware corporation ("Seller"). Buyer and Seller may sometimes hereinafter be referred to as a "Party" or collectively as the "Parties."

WHEREAS, Buyer was formerly known as Ethical Holdings PLC ("Ethical"), and Seller is the successor by assignment of the assets and liabilities of Carnrick Laboratories, Inc. ("Carnrick");

WHEREAS, Ethical and Carnrick entered into a License, Distribution and Security Agreement dated September 29, 1999 (the "LDS Agreement") involving the Purchased Assets;

WHEREAS, Buyer and Seller desire to amend and restate the LDS Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties intending to be legally bound do hereby agree as follows:

ARTICLE I. DEFINITIONS

SECTION 1.01 DEFINED TERMS. As used in this Agreement, the following defined terms have the meanings described below:

(a) "Action or Proceeding" means any action, suit, proceeding, arbitration, Order, inquiry, hearing, assessment with respect to fines or penalties or litigation (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental or Regulatory Authority.

(b) "Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. "Control" and, with correlative meanings, the terms "controlled by" and "under common control with" means the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract, resolution, regulation or otherwise.

(c) "Assets" of a Person means all assets and properties of any kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible, whether absolute, accrued, contingent, fixed or otherwise and wherever situated), including the goodwill related thereto, operated or owned by such Person, including cash, cash equivalents, accounts and notes receivable, chattel paper, documents, instruments, general intangibles, real estate, equipment, inventory, goods and Intellectual Property.

(d) "Assumed Contracts" means those Contracts set forth on Schedule 1.01(d) hereto that are assigned by Seller to Buyer pursuant to Section 2.01; provided, however, that in the event that Seller is not able to obtain any consents necessary to, or otherwise is not able to, assign any such Contract within the time provided therefor, such Contract shall not be deemed to be an Assumed Contract.

(e) "Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of Delaware are authorized or obligated to close.

(f) "Closing Date" means September 29, 1999.

(g) "Contract" means any and all written commitments, contracts, licenses, purchase orders, indentures, debentures, notes, letters of credit or other agreements.

(h) "Default" means (i) a material breach of the obligations of a party hereunder, including Buyer's failure to comply with Section 4.01(d) hereof; (ii) acknowledgement of insolvency by a party, or the filing by or against a party or its assets of a petition in bankruptcy, reorganization, liquidation, receivership, assignment for the benefit of creditors or the like, which is not dismissed unconditionally within sixty (60) days of such acknowledgement or filing.

(i) "Encumbrance" means any mortgage, pledge, assessment, security interest, deed of trust, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, or any conditional sale or title retention agreement or other agreement to give any of the foregoing in the future, or any default with respect to any order or unsatisfied judgement.

(j) "FDA" means the United States Food and Drug Administration and any successor thereto.

(k) "Financial Statements" means the historical financial and other information relating to the Products attached hereto on Schedule 6.05.

(l) "GAAP" means, with respect to a Person, generally accepted accounting principles consistently applied in accordance with past practice of such Person.

(m) "Governmental or Regulatory Authority" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any state, county, city or other political subdivision thereof or any other similar national or multinational body.

(n) "Intellectual Property" of any Person means any or all of the following and all rights in, arising out of, or associated therewith: (i) Patents; (ii) Know-how; (iii) copyrights, copyrights registrations and applications therefor, and all other rights corresponding thereto throughout the world; (iv) industrial designs and any registrations and applications therefor throughout the world; (v) brand names, trade names, trade dress, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor throughout the world; (vi) databases and data collections and all rights therein throughout the world; and (vii) any similar or equivalent rights to any of the foregoing anywhere in the world.

(o) "Inventory" means all quantities of the Products and of work-in-progress, raw materials, samples and marketing materials with respect thereto (including film, artwork, and other media associated copyrights and other intellectual property rights therein) owned by Seller as of the Closing Date, including all quantities of Product for which purchase orders were issued by or on behalf of Seller prior to the Closing Date (the "Pre-Closing Purchase Orders").

(p) "Know-how" means all information and materials controlled, possessed or owned by Seller, including technical knowledge, expertise, skill, practice, inventions, procedures, formulae, trade secrets, confidential information, analytical methodology, processes, preclinical, clinical, stability and other data, toxicological information, market studies and all other experience and know-how in tangible or intangible form, whether patented, patentable or otherwise.

(q) "Knowledge" means any information that is known, or reasonably should have been known, by Seller, Carnrick or any of their respective directors, officers or managers.

(r) "Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including but not limited to any liability for Taxes.

(s) "Line Extension" means those improvements or follow-on products with respect to the Phrenilin Products and the Non-Phrenilin Products set forth on Schedule 6.13(A).

(t) "Material Adverse Effect" means a material adverse effect, whether individually or in the aggregate, (i) on the Purchased Assets or the business, operations, Assets, Liabilities or prospects with respect thereto, or (ii) on the ability of Seller to consummate the transactions contemplated hereby.

(u) "Net Sales" means the gross invoiced sales sold or commercially disposed of for value to a third party by Buyer or its Affiliates or sublicensees, after deducting (i) discounts, including cash discounts, customary trade allowances or rebates actually taken or allowed; (ii) credits or allowances given or made for rejection, recall or return of previously sold Products actually taken or allowed; (iii) any Tax or government charge (including any tax such as a value added or similar tax or government charge other than an income tax) levied on the sale, transportation or delivery of a Product and borne by the seller thereof; and (iv) packaging,

freight insurance and customs, duties and brokerage fees on shipments of Products actually paid or incurred by Buyer or its Affiliates or sublicensees.

(v) "Non-Phrenilin Products" means Arnen, Exgest LA, Motofen, Bontril PDM, Bontril Slow Release, Sinulin, Nolahist, Propagest, Salflex, Capital & Codeine Suspension, Hydrocet, Nolamine and Theo-X.

(w) "Order" means any writ, judgment, decree, injunction or similar order of any Governmental or Regulatory Authority (in each such case whether preliminary or final).

(x) "Ordinary Course of Business" of any Person means such action that is consistent with the past practices of such Person, as applicable, and is taken in the ordinary course of the normal day-to-day operations of such Person.

(y) "Patent" means any patents, provisional patent applications, patent applications and similar instruments (including any divisions, continuations, continuations-in-part, reissues, renewals, extensions or the like of any such patent, application or instrument) as well as any foreign equivalents thereof (including certificates of invention and any applications therefor).

(z) "Permits" means licenses, permits, certificates of authority, authorizations, approvals, registrations and similar consents granted or issued by any Governmental or Regulatory Authority with respect to the Products other than investigational drug applications ("IND's"), new drug applications ("NDA's") or abbreviated new drug applications ("ANDA's").

(aa) "Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental or Regulatory Authority.

(bb) "Phrenilin Products" means Phrenilin, Phrenilin Forte, Phrenilin with Ibuprofen or Aspirin, Phrenilin & Codeine, and Phrenilin with Caffeine and Codeine.

(cc) "Phrenilin Royalty" means a payment equal to eight percent (8%) of the Net Sales of the Phrenilin Products.

(dd) "Pre-Closing Purchase Orders" shall have the meaning set forth in Section 1.01(p) hereof.

(ee) "Products" means the Phrenilin Products, the Non-Phrenilin Products and the Line Extensions.

(ff) "Purchased Assets" means the Assets set forth on Schedule 6.07(a).

(gg) "Registered Intellectual Property" means all United States, international and foreign: (i) Patents; (ii) registered trademarks, applications to register trademarks, intent-to-use applications, or other registrations or applications related to trademarks; (iii) registered copyrights and applications for copyright registration; and (iv) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded by any state, government or other public legal authority.

(hh) "Regulatory Documentation" shall mean any and all (i) regulatory filings, including investigational drug applications ("IND's"), new drug applications ("NDA's") and abbreviated new drug applications ("ANDA's") together with and supporting documents, clinical studies and tests, including any such filings, Permits, documents, studies and tests related to the Products and any improvements thereto, and (ii) records maintained under Good Manufacturing Practices ("GMPs") or other record keeping or reporting requirements of the FDA, the Environmental Protection Agency, the Occupational Health and Safety Administration, the Nuclear Regulatory Commission or any other United States or foreign regulatory authorities, including all investigational new drug applications, new drug applications, abbreviated new drug applications, (including any application withdrawals or expected withdrawals of any of the foregoing), drug master files, FDA approvals for export, FDA warning letters, FDA Notice of Adverse Finding letters, FDA audit reports (including any comments on such reports), other correspondence with regulatory agencies (registrations and licenses, regulatory drug lists, advertising and promotion documents), adverse event files, IND safety reports, complaint files and manufacturing records (as well as any foreign equivalents of the foregoing), with respect thereto.

(ii) "Royalty Term" means the period from the date the cumulative Net Sales of the Phrenilin Products after the Closing Date (the "Royalty Start Date") exceeds Ten Million Dollars ($10,000,000.00) through the earlier of (i) the tenth (10th) anniversary of the Royalty Start Date, and (ii) the date the cumulative Net Sales of the Phrenilin Products after the Closing Date reaches Ninety-Five Million Dollars ($95,000,000.00).

(jj) "Seller Intellectual Property" means (i) the Intellectual Property set forth on Schedule 6.08 (a), (ii) any other Intellectual Property owned, controlled or possessed by or licensed to Seller that relates to the Products, or to which Seller otherwise has rights; provided, however, that the foregoing shall not include the right to use the name or logo of Seller or any of Affiliates, and (iii) all rights with respect thereto.

(kk) "Tax" means any income, alternative or add-on minimum tax, sales, use, ad valorem, transfer, franchise, license, withholding, payroll, employment, excise, severance, stamp tax, custom or duty or similar assessment imposed by any governmental, regulatory or administrative entity or agency responsible for the imposition of any such tax; (ii) any Liability for the payment of any amounts of the type described in (i) as a result of being any affiliated, consolidated, combined, unitary or other group for any Taxable period; and (iii) any Liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other person.

(ll) "Territory" means worldwide.

(mm) "Transition Period" means the period commencing on the Closing Date and ending on the first anniversary thereof, or for such longer period as the parties may mutually agree in writing.

SECTION 1.02 CONSTRUCTION OF CERTAIN TERMS AND PHRASES. Unless the context of this Agreement otherwise requires: (a) words of any gender include the other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (d) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement; (e) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or"; and (f) the term "including" means "including without limitation." Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. All accounting terms used herein and not expressly defined herein shall have the meanings ascribed to them under GAAP.

ARTICLE II. PURCHASE AND SALE OF ASSETS

SECTION 2.01 PURCHASE AND SALE OF ASSETS. Subject to the terms and conditions of this Agreement, as of the Closing Date, Seller shall sell, transfer, convey, assign and deliver (or shall cause to be sold, transferred, conveyed, assigned and delivered) to Buyer, and Buyer shall purchase, acquire and accept (or shall cause to be purchased, acquired or accepted) from Seller, the Purchased Assets. Seller shall use reasonable efforts and Buyer shall cooperate in all reasonable respects with Seller to obtain all consents or waivers and to resolve all impracticalities of assignments or transfers necessary to convey the Purchased Assets to Buyer.

SECTION 2.02 SECURITY INTEREST. As Of The Closing Date Buyer shall:

(a) grant Seller a continuing first priority, secured floating security interest, lien and charge in the Inventory and the cash or non-cash proceeds thereof, as security for payment in full of the Deferred Payment (to the extent of Buyer's obligation to make such Deferred Payment); and

(b) also execute, deliver and file, as the case may be, such additional documents as may be necessary to carry out the intent of this Section 2.02, including an expanded security agreement or other documents to reflect Seller's security interest in the Inventory and rights in the Purchased Assets, as Seller may reasonably request from time to time.

Upon full and complete payment by Buyer to Seller of the Deferred Payment amount, Seller shall immediately deliver or cause to be delivered to Buyer termination of the security interest granted by Buyer pursuant to this Section 2.02.

ARTICLE III. ASSUMPTION OF LIABILITIES

SECTION 3.01 ASSUMPTION OF LIABILITIES. Subject to the terms and conditions of this Agreement, as of the Closing Date, Buyer agrees to assume, satisfy or perform when due Seller's obligations arising under or with respect to all Assumed Contracts and such obligations are set forth in Schedule 3.01 attached hereto and are to be assumed by Buyer in connection with the closing of this Agreement (the "Assumed Liabilities").

SECTION 3.02 NO OTHER LIABILITIES ASSUMED. Other than the Assumed Liabilities, Buyer shall not assume or be deemed to have assumed or guaranteed, or otherwise be responsible for any liability, obligation or claim of any nature, whether direct or indirect, for any debt, obligations or liabilities of Seller or any of its Affiliates relating to the Purchased Assets or otherwise, without regard to whether such debt, obligation or liability is known, knowable, or unknown, matured or unmatured, liquidated or unliquidated, fixed or contingent, arising out of acts, omissions or occurrence prior to the Closing Date or any conditions existing prior to the Closing Date, even if such actions, omissions, or conditions continue thereafter, and regardless of whether or not such claims are listed on any Schedule hereto. Except as and to the extent otherwise expressly provided in this Agreement, Buyer has not agreed to pay, shall not be required to assume and shall not have any liability or obligation, direct or indirect, absolute or contingent, of Seller or any other Person, without regard to whether any such liability or obligation is listed on a Schedule hereto (the assumption of which by Buyer is not expressly provided for in, or contemplated by, this Agreement), including any litigation pending against the Purchased Assets or Seller or any of its Affiliates in connection with the Purchased Assets, any liability or obligation as guarantor, surety, co-signer, endorser, co-maker or indemnitor, any product or liability claims relating to products manufactured, sold or shipped, or services rendered, on or prior to the Closing Date. Without limiting the generality of the foregoing, Seller shall remain liable for the payment of all of its Liabilities, including any amounts owed with respect to the Pre-Closing Purchase Orders.

ARTICLE IV. PURCHASE PRICE AND PAYMENT

SECTION 4.01 PURCHASE PRICE. As consideration for the Purchased Assets, Buyer will pay Seller total consideration in the amount of Twenty Five Million Two Hundred Thousand Dollars ($25,200,000.00) plus the Phrenilin Royalty as follows:

(a) Purchased Assets Except the Inventory. Two Million Dollars ($2,000,000.00) on or before December 31, 1999 as consideration for all of the Purchased Assets except the Inventory;

(b) Inventory. Twenty Three Million Two Hundred Thousand Dollars ($23,200,000.00) as consideration for the Inventory as follows: (i) Sixteen Million Seven Hundred Thousand Dollars ($16,700,000.00) on or before December 31, 1999 and (ii) the balance of Six Million Five Hundred Thousand Dollars ($6,500,000.00) on or before September 29, 2000 (the "Deferred Payment"); and

(o) Phrenilin Royalty. As additional consideration for the Purchased Assets, Buyer will pay Seller the Phrenilin Royalty, on a quarterly basis, during the Royalty Term.

SECTION 4.02 PAYMENT OF SALES, USE AND OTHER TAXES. Seller shall be responsible for all sales, use and other related Taxes, if any, arising out of the sale of the Purchased Assets to Buyer pursuant to this Agreement.

SECTION 4.03 TITLE. Subject to Section 2.02, title to the Purchased Assets shall pass to Buyer as of the Closing Date.

ARTICLE V. DELIVERIES

SECTION 5.01 DELIVERIES BY SELLER.

(a) On the Closing Date, Seller shall deliver or cause to be delivered to Buyer, at Buyer's request:

(i) possession of all of the Purchased Assets;

(ii) executed copies of all consents and approvals then obtained by Seller in connection with the transactions contemplated hereby

(iii) all such other assignments and other instruments as are necessary to transfer to Buyer good and marketable title to the Purchased Assets.

SECTION 5.02 DELIVERIES BY BUYER.

(a) On or before December 31, 1999, Buyer will deliver or caused to deliver to Seller the consideration set forth in Sections 4.01(a) and 4.01(b).

(b) On or before September 29, 2000, Buyer will deliver the outstanding balance of the Deferred Payment.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as of the Closing Date, subject to such exceptions as may be disclosed in the Schedules hereto supplied by Seller, which Schedules shall be deemed to be representations and warranties of Seller as if made herein, as follows:

SECTION 6.01 ORGANIZATION, ETC. Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. Seller is duly authorized to conduct its business and is in good standing in each jurisdiction where such qualification is required except for any jurisdiction where failure so to qualify would not have a Material Adverse Effect. Seller has full power and authority, and holds all Permits and authorizations necessary, to carry on its business with respect to the Products and to own and use

the Purchased Assets, except where the failure to have such power and authority or to hold such Permits or authorizations would not have a Material Adverse Effect.

SECTION 6.02 AUTHORITY OF SELLER. Seller has all necessary power and authority and has taken all actions necessary to enter into this Agreement and to carry out the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors rights generally; and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

SECTION 6.03 CONSENTS AND APPROVALS. Except as set forth on Schedule 6.03, to Seller's Knowledge, no consent, waiver, approval, Order or authorization of, or registration, declaration or filing with, any Governmental or Regulatory Authority or any third party is required by or with respect to Seller in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

SECTION 6.4 NON-CONTRAVENTION, The execution and delivery by Seller of this Agreement does not, and its performance under this Agreement and the consummation of the transactions contemplated hereby will not:

(a) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the Certificate of Incorporation, Bylaws or other organizational documents or other documents of Seller;

(b) conflict with or result in a violation or breach of any of term or provision of any law, Order, license, statute, rule or regulation applicable to Seller or the Purchased Assets;

(c) conflict with or result in a breach or default (or an event which, with notice or lapse of time or both, would constitute a breach or default) under, or result in the termination of, or accelerate the performance required by, or cause the acceleration of the maturity of any debt or obligation pursuant to, or result in the creation or imposition of any security interest, lien or any other Encumbrance upon any of the Purchased Assets under any agreement or commitment to which Seller is a party or by which Seller or any of the Purchased Assets is bound; or

(d) otherwise result in an imposition of any Encumbrance on the Purchased.

SECTION 6.05 FINANCIAL INFORMATION. The Financial Information previously delivered to Buyer by Seller and attached hereto as Schedule 6.05 (i) are true, correct and complete in all material respects with respect to the Purchased Assets; (ii) are in accordance with the Books and Records of Seller; (iii) have been prepared in conformity with GAAP, and (iv) fairly represents the sales and the gross margins with respect to the Products for the period covered hereby. Notwithstanding the foregoing, nothing in this Section 6.05 shall be construed as a representation or warranty by Seller to Buyer as to the potential sales or profit potential of the Products on or after the Closing Date.

SECTION 6.06 NO UNDISCLOSED LIABILITIES OR ENCUMBRANCES. Except as disclosed in this Agreement, to the Knowledge of Seller, there are no Liabilities, Encumbrances or claims, nor any basis for any Liabilities, Encumbrances or claims, against Seller relating to or affecting the Purchased Assets, excepting only Liabilities and Encumbrances incurred in the Ordinary Course of Business that have not had, and are not reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect on the Purchased Assets.

SECTION 6.07 PURCHASED ASSETS GENERALLY.

(a) Schedule 6.07(a) sets forth a description of the Purchased Assets.

(b) Schedule 6.07(b) sets forth all of the material tangible Assets constituting the Purchased Assets and to the Knowledge of Seller any and all improvements thereto or line extensions with respect to the Products that have been researched, investigated, developed, manufactured, sold on behalf of Carnrick.

(c) Seller has good and marketable title to all of the Purchased Assets, free and clear of all Encumbrances, except as disclosed in Schedule 6.07(c). The Purchased Assets include all Intellectual Property and other Assets that are owned, licensed, controlled or as to which Seller otherwise has rights, whether directly or indirectly, with respect to the Products.

SECTION 6.08 INTELLECTUAL PROPERTY

(a) To Seller's Knowledge, Schedule 6.08(a) lists all of the Intellectual Property, including, without limitation, Registered Intellectual Property, with respect to the Purchased Assets that is owned, controlled or possessed by, or licensed to, Seller, or to which Seller otherwise has rights. There is no Registered Intellectual Property that is owned, controlled or possessed by or licensed to Seller or its Affiliates that relates to the Products anywhere in the world other than the registered U.S. trademarks set forth in Schedule 6.08(a) (the "Trademarks").

(b) To Seller's Knowledge, no Seller Intellectual Property is subject to any Action or Proceeding or outstanding decree, Order, judgment, agreement or stipulation restricting in any manner the use, transfer or licensing thereof by Seller or that may affect the validity, use or enforceability of the Seller Intellectual Property.

(c) The Trademarks are valid and subsisting in the United States and all necessary registration, maintenance and renewal fees have been paid and all necessary documents and certificates have been filed with the United States Patent and Trademark Office.

(d) To Seller's Knowledge, the Purchased Assets as currently used by Seller have not, do not and will not infringe or misappropriate the Intellectual Property of any third party or constitute unfair competition or trade practices under the laws of the United States.

(e) To Seller's Knowledge, no Person has or is infringing or misappropriating the Seller Intellectual Property in a manner that will have a material adverse effect on the Purchased Assets.

(f) To Seller's Knowledge, Seller has not transferred ownership of, any right to, or granted any license (exclusive or non-exclusive) with respect to, any Intellectual Property that is or was Seller Intellectual Property to any Person.

To Seller's knowledge, Carnrick has taken reasonable steps to protect its rights in its confidential information or trade secrets related to any of the Purchased Assets.

SECTION 6.09 LITIGATION. Except as set forth in Schedule 6.09, there are no Actions or Proceedings pending or, to the Knowledge of Seller, threatened against, relating to, or otherwise affecting (a) the Purchased Assets; (b) this Agreement; or (c) the transactions contemplated by this Agreement.

SECTION 6.10 COMPLIANCE WITH LAW. Except as set forth on Schedule 6.10, no Product has been developed, manufactured or commercialized by or on behalf of Seller outside of the United States. Seller is in compliance with all applicable laws, statutes, Orders, ordinances and regulations, whether federal, state or local, except where failure to comply, in each instance and in the aggregate, could not be expected to result in a Material Adverse Effect on the Purchased Assets.

SECTION 6.11 CONTRACTS.

(a) To Seller's Knowledge, Schedule 6.11 contains a complete list of all material Contracts related to the Purchased Assets including all Contracts with managed care organization and manufacturers of the Products.

(b) To Seller's Knowledge, each of the foregoing contracts is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms and there is no known violation or breach of or default under, either with the lapse of time, giving of notice or both, any such Contract by any Person.

(c) Except as set forth on Schedule 6.11, no party to an Assumed Contract has notified Seller of an intention to terminate or substantially alter an existing business relationship with Seller or, after the Closing Date, Buyer or to refuse to provide any consents required to assign the Assumed Contracts to Buyer or otherwise effect the transactions

contemplated by this Agreement nor has any licensor of Seller Intellectual Property notified Seller of an intention to terminate or alter the rights governed by such license.

SECTION 6.12 INVENTORY. Schedule 6.12 sets forth a description of the Inventory as of the Closing Date.

SECTION 6.13 REGULATORY MATTERS.

(a) Schedule 6.13(a) contains a complete and correct list of the Products and to the Knowledge of Seller any and all improvements thereto or line extensions thereof that have been researched, investigated, developed, manufactured, sold or are in the process of being researched, investigated, developed, manufactured or sold by or on behalf of Seller or Carnrick.

(b) Schedule 6.14(b), to the Knowledge of Seller, contains a complete and correct list of all NDA's and ANDA's related to the Purchased Assets, Seller has provided Buyer with true and complete copies of such filings.

(c) To the Knowledge of Seller, with respect to the Purchased Assets, there have been no (i) product recalls, field corrective activity, warning letters, Notice of Adverse Finding letters, audit reports or administrative actions by the FDA or any similar action by any other Governmental or Regulatory Authority or (ii) withdrawals or expected withdrawals.

(d) To the Knowledge of Seller all NDA's and ANDA's for the Products are currently effective and valid and have been validly issued. Neither the execution, delivery or performance of this Agreement nor the mere passage of time will have any effect on the continued validity or sufficiency of such filings. There is no Action or Proceeding by any Governmental or Regulatory Authority pending or, to the Knowledge of Seller, threatened with respect to the Regulatory Documentation.

(e) To the Knowledge of Seller, neither Carnrick nor any of their employees has, with respect to the Purchased Assets or the business with respect thereto, (i) been disbarred or received notice of action or threat of action with respect to debarment under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. Section 335(a) and (b); (ii) been subject to any other FDA enforcement Action or Proceeding, or (iii) used in any capacity the services of any Person that has been subject to debarment or any other FDA enforcement action or proceeding.

(f) All of the Products included in the Inventory, and to Seller's Knowledge all of the Products manufactured by or on behalf of Carnrick, have been manufactured in accordance with FDA requirements and they (i) have been manufactured, held and shipped in accordance with applicable GMPs and all other applicable law; (ii) have been manufactured, held and shipped in accordance with the Products' specifications; (iii) have not been adulterated or misbranded under the U.S. federal Food, Drug, and Cosmetic Act, as amended, or under any other applicable law; and (iv) may be introduced into interstate commerce pursuant thereto.

SECTION 6.14 BULK SALES. Seller has complied with the bulk sales and similar requirements in effect in all states in which Seller owns Purchased Assets.

SECTION 6.15 DISCLOSURE. No representation or warranty by Seller in this Agreement contains any untrue statement of material fact.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES OF BUYER

SECTION 7.01 CORPORATE ORGANIZATION. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. Buyer is duly authorized to conduct its business and is in good standing in each jurisdiction where such qualification is required except for any jurisdiction where failure so to qualify would not have a Material Adverse Effect. Buyer has full power and authority and holds all Permits and authorizations necessary, to carry on its business with respect to the Products and to own and use the Purchased Assets, except where the failure to have such power and authority or to held such Permits or authorizations would not have a Material Adverse Effect.

SECTION 7.02 AUTHORITY OF BUYER. Buyer has all necessary power and authority and has taken all actions necessary to enter into this Agreement, and to carry out the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally; and (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

SECTION 7.03 NON-CONTRAVENTION. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any provisions of Buyer's organizational documents or violate any statute or law or any judgment, decree, Order, regulation or rule of any court or governmental authority or result in a breach of the material terms, conditions or provisions of, or constitute a default under, any material instrument, agreement, mortgage, judgment, Order, award, decree or other material restriction to which Buyer is a party or by which Buyer is bound.

SECTION 7.04 LITIGATION. There are no Actions or Proceedings pending (or to the Knowledge of Buyer threatened) against, relating to, or otherwise affecting (a) this Agreement; or (b) the transactions contemplated by this Agreement.

SECTION 7.05 CONSENTS AND APPROVALS. To Buyer's knowledge, no consent, waiver, approval, Order or authorization of, or registration, declaration or filing with, any Governmental or Regulatory Authority or any third party is required in connection with the execution and delivery by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby.

SECTION 7.06 DISCLOSURE. No representation or warranty by Buyer in this Agreement and no statement contained in any document, certificate or other writing furnished or to be furnished by Buyer to Seller or any of their representatives pursuant to the provisions hereof contains or will contain any untrue statement of material fact or omits or will omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which it was made, not misleading. As of the Closing Date, Buyer does not have Knowledge, through its due diligence or otherwise, of any material fact which would cause any of the representations, warranties or statements made by or on behalf of the Seller herein to be materially false or misleading or to omit any material fact necessary in order to make such representation, warranty or statement not materially false or misleading.

ARTICLE VIII. COVENANTS OF THE PARTIES

SECTION 8.01 NON-ASSERTION OF INTELLECTUAL PROPERTY RIGHTS. Seller agrees that neither it nor any Affiliate will assert against Buyer anywhere in the world, under any patent, trade secret, copyright, or any other proprietary right or Intellectual Property right owned or controlled by Seller, a claim that any Product, or any process used in the manufacture or commercialization thereof, infringes such patent, trade secret or copyright.

SECTION 8.02 COOPERATION. Each Party shall reasonably cooperate with the other in preparing and filing all notices, applications, reports and other instruments and documents in connection with the transactions contemplated by this Agreement. Further, Seller shall from time to time, at the request of Buyer and without further cost or expense to Buyer, execute and deliver such instruments of conveyance and transfer and take such other actions as Buyer may reasonably request, in order to more effectively consummate the transactions contemplated hereby and to vest in Buyer good and marketable title to the Purchased Assets. This cooperation will include, but not be limited to, Seller's reasonable cooperation in the efforts of Buyer to obtain any third-party consents and approvals required for it to be able to own the Purchased Assets. In addition:

(a) For a period of twelve (12) months after the Closing Date, Seller shall use commercially reasonable efforts to make available to Buyer, at Buyer's expense, for inspection and copying, at reasonable times after request therefor, any records and documents specifically related to the Purchased Assets retained by or in the control of Seller.

(b) Upon the request of Buyer and at Buyer's expense, Seller shall use commercially reasonable efforts to make available, from time to time as reasonably required, employees, consultants and agents of Seller or who are otherwise familiar with the Purchased Assets and are employed or retained Seller, for the purposes of giving testimony or such other assistance as Buyer may reasonably need for the preparation and defense or prosecution of any Actions or Proceedings regarding the Purchased Assets with respect to which Buyer is responsible hereunder.

(c) Without limitation to the foregoing, upon written request of Seller, at Seller's expense and not more than once in a calendar year, Buyer shall permit Seller or its designated Representative to have access during normal business hours and upon reasonable

prior written notice, to such of the records of Buyer or its Affiliates as may be reasonably necessary to verify the accuracy of the information related to the Phrenilin Royalty hereunder for any calendar year ending not more than twenty-four (24) months prior to the date of such request. Seller or its designated Representative shall disclose to Buyer whether the Phrenilin Royalty payments made by Buyer are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Seller pursuant to this Section 8.02(c).

SECTION 8.03 NOTIFICATION OF CERTAIN MATTERS. During the Transition Period each party shall give prompt notice to the other Party of (a) the discovery of any material fact of which the notifying party has Knowledge which causes such Party to conclude that any of the representations, warranties or statements made by or on behalf of such party herein or in any other document delivered pursuant to this Agreement, may be materially false or misleading; (b) the occurrence or the failure to occur of any material event which occurrence or failure causes, or reasonably could be expected to cause, any representation or warranty made by or on behalf of such party to be materially untrue or inaccurate; or (c) any failure of the notifying party to comply with or satisfy any material covenant, condition or agreement to be complied with or satisfied by or on behalf of such party hereunder. Each party shall use commercially reasonable efforts to remedy any failure on its part to materially comply with or materially satisfy any covenant, condition or agreement to complied with or satisfied by or on behalf of such party hereunder.

SECTION 8.04 ADVERSE EVENTS. Each Party shall give the other Party immediate notice, which shall be promptly confirmed in writing, of any occurrence that involves any material complaint about the safety or effectiveness of any Product, including a claim for death or injury following administration of the Product (that is plausibly related to the administration of the Product). Further, each Party shall give the other Party prompt written notice of any occurrence that involves any other matter arising out of this Agreement that must be reported to a Governmental or Regulatory Authority.

SECTION 8.05 TRANSITION SERVICES.

(a) Without limitation to its other obligations hereunder, Seller shall, at the request of Buyer, provide the services during the Transition Period (collectively, the "Transition Services") set forth on Schedule 8.04.

(b) Seller shall make available to Buyer, at no additional expense, one (1) office at Carnrick's New Jersey facility and, during regular business hours, provided however, that (i) Buyer shall not use such address for any official purpose in connection with its business activities, including but not limited to, in connection with its corporate organization, the Regulatory Documentation, any Permit, the Intellectual Property, the filing and payment of Taxes, the Assumed Contracts or any business relationship with a third party vendor, (ii) Buyer shall install its own telephone lines with independent voicemail or messaging services and provide for its own office equipment.

(c) In consideration for the performance of the Transition Services, Buyer shall pay to Seller, on a quarterly basis, a fee equal to three percent (3%) of the Net Sales of the

Products during any period in which Transition Services were provided in such quarter. In addition, Buyer shall reimburse Seller for any out-of-pocket external costs, and a reasonable allocation of employee expense and internal costs, reasonably incurred by Seller in performing (i) any services required by Buyer that are outside the Ordinary Course of Business of Carnrick with respect to distribution of the Products or (ii) any event related to the distribution of the Products outside of the Ordinary Course of Business of Carnrick, such as a recall, except to the extent that such services are caused by Seller or its Representatives.

SECTION 8.06 ASSIGNMENT OF CONTRACTS AND SELLER REGISTERED INTELLECTUAL PROPERTY. As soon as reasonably practicable after the Closing Date, Seller shall use reasonable commercial efforts to diligently assign and seek consent to the assignment of all Assumed Contracts and Seller Registered Intellectual Property.

SECTION 8.07 MANUFACTURING, MARKETING AND PROMOTION OF THE PRODUCTS. From the Closing Date to the date Buyer has paid in full the Deferred Payment to Seller, Buyer shall (a) use commercially reasonable efforts to (a) market and promote the Phrenilin Products in the United States, and in such other countries in the Territory as Buyer may determine in its sole discretion, and (b) comply with all applicable laws and regulation in marketing and promoting the Products.

SECTION 8.08 INSURANCE. From the Closing Date to the Delivery Date, Buyer shall maintain insurance coverage with respect to the Products, including Product Liability Insurance in the amount of not less than $1 million per occurrence and $5 million, with reputable companies as required by applicable law and in such amounts as is customary with respect to similarly situated companies.

SECTION 8.09 MIDRIN NEGOTIATION RIGHT. If Seller decides at any time during the eighteen (18) months following the Closing Date to divest itself of Midrin to a third party other than an Affiliate, Seller shall notify Buyer in writing of such intention and Buyer shall thereafter have a thirty (30) day period to submit an offer to Seller to acquire Midrin. Buyer shall submit such an offer to Seller and Seller shall negotiate and in good faith with Buyer with respect to such offer for a period of thirty (30) days after receipt of Buyer's offer, provided that any such offer is on commercially reasonable terms with valuation and other terms and conditions consistent with an independent third party transaction of a similar product for a similar market and sales history. If Buyer and Seller are unable to reach such an agreement with respect to Midrin during such thirty (30) day period, Seller shall have the right to transfer Midrin to any other Person.

SECTION 8.10 PRE-CLOSING PURCHASE ORDERS. Seller shall pay any amounts owing with respect to the Pre-Closing Purchase Orders as and when such amounts become due.

ARTICLE IX. ACTIONS BY THE PARTIES ON AND AFTER THE CLOSING DATE

SECTION 9.01 SURVIVAL OF REPRESENTATIONS, WARRANTIES, ETC. The representations, warranties and covenants of Seller contained in or made pursuant to this Agreement or any certificate, document or instrument delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby shall, notwithstanding any investigation, analysis or evaluation by Buyer or its designees of the Purchased Assets, however subject to the representation of Buyer set forth in Section 7.06, survive the execution and delivery of this Agreement for a period of thirty-six (36) months following the Closing Date.

SECTION 9.02 INDEMNIFICATION.

(a) Seller shall indemnify, reimburse, defend and hold harmless Buyer, and its officers, directors, employees, agents, successors and assigns from and against any and all costs, losses, Liabilities, damages, lawsuits, deficiencies, claims and expenses, including interest, and penalties actually paid or incurred, including reasonable attorneys fees and all amounts reasonably paid in investigation, defense or settlement of any of the foregoing (collectively, "Damages"), in connection with, arising out of, resulting from or incident to (i) any breach by Seller or Carnrick of any of their respective covenants, representations, or warranties made in or pursuant to this Agreement; (ii) Seller's or Carnrick's conduct of the business with respect to the Purchased Assets prior to the Closing Date; (iii) Actions or Proceedings set forth in Schedule 6.09; (iv) all defects, latent or otherwise, relating to the Inventory as of the Closing Date; (v) negligent or intentional acts or omissions of Seller, Carnrick or their respective Representatives on or after the Closing Date, in performing the Transition Services; or (vi) the failure of Seller to pay, perform and discharge any Liabilities of Seller or Carnrick that are not Assumed Liabilities.

(b) Buyer shall indemnify, defend and hold harmless Seller and its respective officers, employees, agents, successors and assigns from and against any and all Damages incurred in connection with, arising out of, resulting from or incident to (i) any breach by Buyer of any covenant, representation or warranty made by Buyer in or pursuant to this Agreement; (ii) the failure of Buyer to assume, pay, perform and discharge any Assumed Liabilities as and when due; (iii) the failure of Buyer to pay the Deferred Payment as provided in this Agreement or (iv) except to the extent indemnified by Seller pursuant to Section 9.02(a), the conduct of the business with respect to the Purchased Assets on or after the Closing Date.

(c) In the event of a claim which may give rise to such a right of indemnity, the party intending to claim indemnity shall give the indemnifying party notice in writing as soon as practical of any such claim or lawsuit and shall permit the indemnifying party to undertake the defense thereof at its expense. The parties shall cooperate reasonably, including not settling or disposing of a claim which is the subject of indemnity without the consent of the indemnifying party, not to be unreasonably withheld.

SECTION 9.03 COVENANT NOT TO COMPETE. Seller hereby agrees that during the three (3) year period beginning on the Closing Date, Seller shall not develop or commercialize any product that contains one or more of the therapeutically active ingredients contained in the Products. Notwithstanding the foregoing, this Section 9.03 shall not apply to (a) any products that Seller or any of its Affiliates acquires in connection with a bona fide merger with, or acquisition of substantially all of the assets of, a Person that is not principally involved in the development or commercialization of one or more competing products, and (b) any bona fide services provided by an Affiliate of Seller with respect to competing products owned by a third part. If any restrictions contained in this Section 9.03 shall be deemed to be invalid or unenforceable by reason of the extent, duration and geographic scope thereof or otherwise, then Buyer shall have the right to reduce such extent, duration and geographic scope or other provision hereof, and in their reduced form such restrictions shall then be enforceable in the manner contemplated hereby.

SECTION 9.04 Buyer hereby agrees that during the three (3) year period beginning on the Closing Date, Buyer shall not, without the prior written consent of Seller, solicit, recruit, nor offer employment to any employee, officer, or director of Seller, Carnrick or any Affiliate.

ARTICLE X. MISCELLANEOUS

SECTION 10.01 CONFIDENTIALITY.

(a) For a period of five (5) years after the Closing Date, Seller shall not without the prior written consent of Buyer, disclose to any Person confidential information relating to or concerning Buyer, the Purchased Assets or the Transition Services (the "Buyer Information"), except to such representatives of Seller who reasonably need to know such information for purposes of Taxes, accounting, pending litigation and other matters necessary in respect of Seller's ownership, prior to the Closing Date of the Purchased Assets, or performance, prior to the end of the Transition Period, of its obligations hereunder. In the event that Seller is requested or required by documents subpoena, civil investigative demand, interrogatories, requests for information, or other similar process to disclose any information with respect to the Purchased Assets or Transition Services, Seller shall provide Buyer with prompt notice of such request or demands or other similar process so that Buyer may seek an appropriate protective order.

(b) For a period of five (5) years following the Closing Date, Buyer shall not, without the prior written consent of Seller, disclose to any Person confidential information relating to or concerning Seller or the terms of this Agreement, except to such representatives of Buyer who reasonably need to know such information for purposes of conducting the business with respect to the Purchased Assets or with respect to Taxes, accounting, pending litigation and other matters necessary in respect of Buyer's performance of its obligations hereunder. In the event that Buyer is requested or required by documents subpoena, civil investigative demand, interrogatories, requests for information, or other similar process to disclose any information with respect to the Transition Services, Buyer shall provide Seller with prompt notice of such request or demands or other similar process so that Seller may seek an appropriate protective

order. Notwithstanding the foregoing, in no event shall this Section 10.01(b) apply to any Buyer Information.

(c) The term confidential information as used in this Section 10.01 does not include information which (i) at the time of disclosure is in the public domain or thereafter becomes part of the public domain by publication or otherwise through no act of the party receiving such information; (ii) the party receiving such information can establish was in its possession prior to the time of the disclosure; (iii) is independently made available as a matter of right to the party receiving such information by a third party who is not in violation of a confidential relationship with the other party; or (iv) is developed by a party independently of the confidential information received from the other party as shown by its written records; provided however, that except with respect to clause (i) above, Buyer Information shall be deemed to be confidential information of Buyer for all purposes hereunder.

(d) For purposes of this Section 10.01, each of Seller and Buyer shall include their respective directors, officers, employees, attorneys and accountants.

Each party agrees and acknowledges that the unauthorized use or disclosure of any confidential information by it in violation of this Agreement may cause severe and irreparable damage to the other party. In the event of any violation of this Section 10.01, the parties agree that the non-violating party shall be entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, as well as any other relief permitted by applicable law.

SECTION 10.02 SURVIVAL. Any termination of this Agreement shall not affect the rights of either party that accrued as of the date of termination. Articles VI, VII, VIII and IX and Section 2.02, 3.02, 5.03, 11.04, 11.08 and 11.12 and this Section 10.02 shall survive the termination of this Agreement.

SECTION 10.03 PUBLIC STATEMENTS. Except as otherwise required by law, Seller and Buyer agree that neither Party shall issue any press releases or otherwise make public statements with respect to the transactions contemplated by this Agreement without first obtaining the prior written consent of the other Party.

SECTION 10.04 NOTICES. All notices, request and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission with answer back confirmation or mailed (postage prepaid by certified or registered mail, return receipt requested) or by overnight courier to the parties at the following addresses or facsimile numbers:

If to Buyer to: Amarin Corporation, Plc
Gemini House, Bartholomew's Walk
Ely, Cambs. CB7
England

If to Seller to: Elan Pharmaceuticals, Inc.
800 Gateway Boulevard
South San Francisco, California 94080
Telephone No.: 650-877-7667
Facsimile No.: 650-875-3620
Attention: VP, Commercial and Legal Affairs

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 10.04, be deemed given upon receipt; (ii) if delivered by facsimile to the facsimile number as provided in this Section 10.04, be deemed given upon receipt by sender of the answer back confirmation; and (iii) if delivered by mail in the manner described above or by overnight courier to the address as provided in this Section 10.04, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section 10.04). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

SECTION 10.05 ENTIRE AGREEMENT. This Agreement (and all Exhibits and Schedules attached hereto and all other documents delivered in connection herewith) supersedes all prior discussions and agreements among the parties with respect to the subject matter hereof, including the LDS Agreement, and contains the sole and entire agreement among the parties hereto with respect to the subject matter hereof.

SECTION 10.06 WAIVER. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party hereto of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

SECTION 10.07 AMENDMENT. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each party hereto.

SECTION 10.08 THIRD PARTY BENEFICIARIES. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person other than any Person entitled to indemnity under Section 9.02.

SECTION 10.09 ASSIGNMENT; BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not to be unreasonably withheld, and any attempt to do so will be void; provided, however, that (a) either Party shall be free to assign any rights and obligations under this Agreement to an Affiliate, and (b) after Buyer's full and complete satisfaction of the Deferred Payment, Buyer may freely assign all or part of its right, title and interest in or to the Purchased Assets, but shall in no circumstances be permitted to assign its rights with respect to the Transition Services, in each case without the prior written consent of the other Party. Notwithstanding the foregoing, nothing in this provision 10.09 shall in any way impact the independent rights of Seller or any Affiliate in their capacity as shareholders, officers, directors or creditors of Buyer. This Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and permitted assigns.

SECTION 10.10 HEADINGS. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

SECTION 10.11 SEVERABILITY. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never compromised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance here from; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar to terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the parties herein.

SECTION 10.12 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts executed and performed in such State, without giving effect to conflicts of laws principles.

SECTION 10.13 EXPENSE. Except as otherwise provided in this Agreement, each party hereto shall pay its own expenses and costs incidental to the preparation of this Agreement and to the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, this Asset Purchase Agreement has been executed by the parties hereto all as of the date first above written.

ELAN PHARMACEUTICALS, INC.

By: /s/ John Groom
_____
Name: John Groom
Title: President & CEO

AMARIN CORPORATION, PLC

By: /s/ Rick Stewart
_____
Name: Rick Stewart
Title: CEO

SCHEDULE 1.01(d)

ASSUMED CONTRACTS

1. The Contracts between Carnrick and each of the parties set forth on Exhibit 1 to this Schedule 1.01(d) related to managed care, to the extent such agreement may be assigned by Seller and assumed by Buyer, for the period set forth on such exhibit.

2. The Confidentiality and Product Development Agreement dated October 17, 1997 by and between Carnrick and Lannett Pharmaceutical Co. regarding Phrenilin CO.

3. The Confidentiality and New Product Development Agreement dated September 18, 1997 by and between Carnrick and HI-TECH Pharmacal Co. Inc. regarding a proposed product containing Difenoxin and Atropine Sulfate.

4. The Confidentiality and New Product Development Agreement dated February 17, 1998 by and between Carnrick and HI-TECH Pharmacal Co. regarding a proposed product containing Nolamine Liquid (phenindamine tartrate 24 mg., chlorpheniramine maleate 4 mg., phenylpropanolamine HCL 50 mg.).

5. The Confidentiality and New Product Development Agreement dated February 17, 1998 by and between Carnrick and HI-TECH Pharmacal Co. Inc. regarding a proposed product containing Nollahist Liquid (phenindamine tartrate 25 mg.).

6. The Confidentiality and New Product Development Agreement dated January 24, 1996 by and between Carnrick and Paco Pharmaceutical Services, Inc. regarding a proposed product containing, Acetaminophen & Codeine Phosphate CAPITAL & CODEINE ORAL SUSPENSION.

7. The Mutual Non-Disclosure agreement dated October 10, 1997 by and between Carnrick and Lannett Company, Inc. regarding a product containing aspirin, butalbital and caffeine.

8. The Confidentiality Agreement dated May 9, 1994, as modified January 22, 1998, by and between Johnson Matthey Inc., on the one part, and Carnrick, SST Corporation and Lannett Company, Inc., on the second part, regarding Difenoxin Hydrochloride.

9. The Supply Agreement dated December 5, 1997 by and between Carnrick and Mallinckrodt Chemical, Inc, Hobart regarding the manufacture and supply of certain products, including Arnen, Bontril, Midrin, Phrenilin, Phrenilin Forte, Propagest, Sinulin Skelaxin and Hydrocet. Assignment of this contract requires the prior written consent of Mallinkrodt.

10. The Supply Agreement dated May 27, 1997 by and between Carnrick and Lannett Company, Inc. regarding the manufacture and supply of certain products, including Midrin, Motofen, Phrenilin and Phrenilin Forte. Assignment of this contract requires the prior written consent of Lannett.

ELAN PHARMACEUTICALS, INC.
Schedule of Contract Pricing (Rebate Contracts)

Advance
Paradigm
Astra US
Anthem
11350
McCormick
Rd.
Healthcare
5545
Governor's
Exec.
Plaza #,
950 Jolly
Road Hill
Drive
Suite 1000
P.O. Box
1109 Suite
400 Hunt
Valley,
Blue Bell,
PA
Cincinnati,
OH MD
21031
19422
45249 ----

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--- Begin
Date
01/01/99
04/01/97
04/01/96
End Date
Evergreen*
Evergreen*
none -----

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-- Amen
Tablets
0088-0049-
05 50 Amen
Tablets
0088-0049-
10 100
Amen
Tablets
0088-0049-
90 1000
Bontril
PDM
Tablets
0088-0048-
10 100
Bontril
PDM
Tablets
0088-0048-
90 1000
Bontril SR
Capsules
0088-0047-
10 100
Capital &
Codeine
Susp 0088-
0046-16
480 Exgest
LA Tablets
0088-0083-
10 100
15.00%
10.00%
Exgest LA
Tablets
0088-0083-
50 500
15.00%
10.00%
Hydrocet
Capsules
0088-0057-
10 100
10.00%

Motofen
Tablets
0088-0074-
05 50
Motofen
Tablets
0088-0074-
10 100
Nolahist
Tablets
0088-0052-
10 100
Nolahist
Tablets
0088-0052-
24 168
Nolamine
TR Tablets
0088-0204-
10 100
0.00%
0.00%
Nolamine
TR Tablets
0088-0204-
25 250
0.00%
0.00%
Phrenilin
Tablets
0088-0050-
10 100
15.00%
10.00%
Phrenilin
Tablets
0088-0050-
50 500
15.00%
10.00%
Phrenilin
Forte
Capsules
0088-0058-
10 100
15.00%
10.00%
Phrenilin
Forte
Capsules
0088-0058-
50 500
16.00%
10.00%
Propagest
Tablets
0088-0051-
10 100
Salflex
Tablets
500 mg
0088-0071-
10 100
Salflex
Tablets
750 mg
0088-0072-
10 100
Salflex
Tablets
750 mg
0088-0072-
50 500
Sinulin
Tablets
0088-0086-
02 20
Sinulin
Tablets
0088-0086-
10 100
Sinulin
Tablets
0088-0086-
24 168

Cigna
Caremark
Health
Corp.-
2211
Sanders
900
Cottage
Road Grove
Road
Northbrook,

Bloomfield, IL 60062 CT 06002 - ---------- ------- -- ---------- ---------- -----

Begin Date 04/01/99 04/01/99

End Date Evergreen* 03/31/01 - ---------- ------- -- ---------- ---------- -----

----- Amen Tablets 0088-0049-05 50 9% to 15% Amen Tablets 0088-0049-10 100 9% to 15% Amen Tablets 0088-0049-90 1000 9% to 15% Bontril PDM Tablets 0088-0048-10 100 9% to 15% Bontril PDM Tablets 0088-0048-90 1000 9% to 15% Bontril SR Capsules 0088-0047-10 100 9% to 15% Capital & Codeine Susp 0088-0046-16 480 9% to 15% Exgest LA Tablets 0088-0083-10 100 10% + $.01 to $.05/unit 9% to 15% Exgest LA Tablets 0088-0083-50 500 10% + $.01 to $.05/unit 9% to 15% Hydrocet Capsules 0088-0057-10 100 9% to 15% Motofen Tablets 0088-0074-05 50 9% to 15% Motofen Tablets 0088-0074-10 100 9% to 15% Nolahist Tablets 0088-0052-10 100 9% to 15% Nolahist Tablets 0088-0052-24 168 9% to 15% Nolamine TR Tablets 0088-0204-10 100 9%

				to 15%
Nolamine TR Tablets	0088-0204-25	250	9%	to 15%
Phrenilin Tablets	0088-0050-10	100	10%	+ $.005 to $.0125/unit 9% to 15%
Phrenilin Tablets	0088-0050-50	500	10%	+ $.005 to $.0125/unit 9% to 15%
Phrenilin Forte Capsules	0088-0058-10	100	10%	+ $.005 to $.0125/unit 9% to 15%
Phrenilin Forte Capsules	0088-0058-50	500	10%	+ $.005 to $.0125/unit 9% to 15%
Propagest Tablets	0088-0051-10	100		
Salflex Tablets 500 mg	0088-0071-10	100	9%	to 15%
Salflex Tablets 750 mg	0088-0072-10	100	9%	to 15%
Salflex Tablets 750 mg	0088-0072-50	500	9%	to 15%
Sinulin Tablets	0088-0068-02	20	9%	to 15%
Sinulin Tablets	0088-0068-10	100	9%	to 15%
Sinulin Tablets	0088-0068-24	168	9%	to 15%

* = Evergreen clause in contract (contract is automatically renewed for one-year periods)

ELAN PHARMACEUTICALS, INC.
Schedule of Contract Pricing (Rebate Contracts)

General Health Alliance Covenby	Express Prescription Harvard	Plan of Corporation Scripts	Programs Pilgrim Michigan	501 Corporate	14000 Riverport	61 Freeman	20 Overland	2850 West Centre Dr.	Drive Street St.	Grand Blvd. Suite 400	5th Floor Franklin,	Maryland Heights,	Newark, Boston,	Detroit, TN 37067 MO	63043 NJ	67105 MA	02215-3300 MI 48202	Begin Date	01/01/98	07/01/95	03/01/97	10/01/97	09/01/93	End Date	Evergreen*	12/31/99	03/31/00	Evergreen*	Evergreen*
Negotiating for renewal.	Amen Tablets	0088-0049-05 50	8.00%	10.00%	Amen Tablets	0088-0049-10 100	8.00%	10.00%	Amen Tablets	0088-0049-90 1000	8.00%	10.00%	Bontril PDM Tablets	0088-0048-10 100	Bontril PDM Tablets	0088-0048-90 1000	Bontril SR Capsules	0088-0047-10 100	Capital & Codeine Susp	0088-0046-16 480	8.00%	Exgest LA							

Tablets
0088-0065-10 100
8.00%
10.00% + $.01 8.00% to $.03/unit
Exgest LA
Tablets
0088-0063-50 500
8.00%
10.00% + $.01 8.00% to $.03/unit
Hydrocet
Capsules
0088-0057-10 100
8.00%
Motofen
Tablets
0088-0074-05 50 8.00%
Motofen
Tablets
0088-0074-10 100
8.00%
Nolahist
Tablets
0088-0052-10 100
8.00%
10.00%
Nolahist
Tablets
0088-0062-24 168
8.00%
10.00%
Nolamine TR
Tablets
0088-0204-10 100
8.00% 4.00%
7.50%
10.00%
Nolamine TR
Tablets
0088-0204-25 250
8.00% 4.00%
7.50%
10.00%
Phrenilin
Tablets
0088-0050-10 100
8.00%
10.00%
8.00%
15.00%
10.00%
Phrenilin
Tablets
0088-0050-50 500
8.00%
Phrenilin Forte
Capsules
0088-0058-10 100
8.00%
10.00%
8.00%
15.00%
10.00%
Phrenilin Forte
Capsules
0088-0058-50 500
8.00%
Propagest
Tablets
0088-0051-10 100
Salflex
Tablets
500mg 0088-0071-10 100
8.00%
Salflex
Tablets

750mg 0088-0072-10 100	8.00% Salflex Tablets				
750mg 0088-0072-50 500	8.00% Sinulin Tablets				
0088-0068-02 20	Sinulin Tablets				
0088-0068-10 100	Sinulin Tablets				
0088-0068-24 168					

* = Evergreen clause in contract (contract is automatically renewed for one-year periods)

ELAN PHARMACEUTICALS, INC.
Schedule of Contract Pricing (Rebate Contracts)

Health
Partners
Humana
Integrated
Pharm.
Services
8100 34th
Avenue S.
500 West
Main St.
3400 Data
Drive
Bloomington,
MN 55425
Louisville,
KY 40201-
1438 Rancho
Cordova, CA
95670 Begin
Date
01/01/00
10/01/97
07/01/97
End Date
06/30/02
Evergreen*
Evergreen*

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----- NEW
CONTRACT
Amen
Tablets
0088-0049-
05 50
10.00% Amen
Tablets
0088-0049-
10 100
10.00% Amen
Tablets
0088-0049-
90 1000
10.00%
Bontril PDM
Tablets
0088-0048-
10 100
Bontril PDM
Tablets
0088-0048-
90 1000
Bontril SR
Capsules
0088-0047-
10 100
Capital &
Codeine
Susp 0088-
0046-16 480
10.00%
Exgest LA
Tablets
0088-0083-
10 100
10.00%
Exgest LA
Tablets
0088-0083-
50 500
10.00%
Hydrocet
Capsules
0088-0057-
10 100
Motofen
Tablets
0088-0074-
05 50 8.00%
Motofen
Tablets
0088-0074-
10 100
8.00%
Nolahist

Tablets
0088-0052-
10 100
10.00%
Nolahist
Tablets
0088-0052-
24 168
10.00%
Nolamine TR
Tablets
0088-0204-
10 100
10.00%
8.00% 8.00%
Nolamine TR
Tablets
0088-0204-
25 250
10.00%
8.00% 8.00%
Phrenilin
Tablets
0088-0050-
10 100
10.00%
10.00%
Phrenilin
Tablets
0088-0050-
50 500
Phrenilin
Forte
Capsules
0088-0058-
10 100
10.00%
10.00%
Phrenilin
Forte
Capsules
0088-0058-
50 500
Propagest
Tablets
0088-0051-
10 100
Salflex
Tablets 500
mg 0088-
0071-10 100
10.00%
Salflex
Tablets 750
mg 0088-
0072-10 100
10.00%
Salflex
Tablets 750
mg 0088-
0072-50 100
10.00%
Sinulin
Tablets
0088-0068-
02 20
Sinulin
Tablets
0088-0068-
10 100
Sinulin
Tablets
0088-0068-
24 168

Merck-
Medco M&M
Health
Plans
(Pro-Mark)
100 Summit
Avenue 33
North Road
Montvale,
NJ 07645-
1753
Wakefield,
Fl 02879-
2154 Begin
Date
11/01/97
04/01/97
End Date
09/30/00
03/31/00 -

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- ---

Amen
Tablets
0088-0049-
05 50 Amen
Tablets
0088-0049-
10 100
Amen
Tablets
0088-0049-
90 1000
Bontril
PDM
Tablets
0088-0048-
10 100
Bontril
PDM
Tablets
0088-0048-
90 1000
Bontril SR
Capsules
0088-0047-
10 100
Capital &
Codeine
Susp 0088-
0046-16
480 Exgest
LA Tablets
0088-0083-
10 100
$.04 to
$.16/unit
Exgest LA
Tablets
0088-0083-
50 500
$.04 to
$.16/unit
Hydrocet
Capsules
0088-0057-
10 100
Motofen
Tablets
0088-0074-
05 50
Motofen
Tablets
0088-0074-
10 100
Nolahist
Tablets
0088-0052-
10 100
Nolahist
Tablets
0088-0052-
24 168
Nolamine
TR Tablets
0088-0204-
10 100 8%
of WAC
Nolamine
TR Tablets
0088-0204-
25 250 8%
of WAC
Phrenilin
Tablets
0088-0050-
10 100 8%
of WAC
10.00%
Phrenilin
Tablets
0088-0050-
50 500 8%
of WAC
Phrenilin
Forte
Capsules
0088-0058-
10 100 8%
of WAC
10.00%
Phrenilin
Forte
Capsules
0088-0058-

50 500 8% of WAC
Propagest Tablets
0088-0051-10 100
Salflex Tablets 500 mg
0088-0071-10 100
$.04 to $.13/unit
Salflex Tablets 750 mg
0088-0072-10 100
$.04 to $.13/unit
Salflex Tablets 750 mg
0088-0072-50 500
$.04 to $.13/unit
Sinulin Tablets
0088-0068-02 20
Sinulin Tablets
0088-0068-10 100
Sinulin Tablets
0088-0068-24 168

* = Evergreen clause in contract (contract is automatically renewed for one-year periods)

ELAN PHARMACEUTICALS, INC.
Schedule of Contract Pricing (Rebate Contracts)

Pharmacy
Associates,
NPA PCS
Health
Systems Inc.
(PAI) 711
Ridgedale
Ave. 5701
Green Valley
Dr. 320
Executive
Court Suite
201 East
Hanover, NJ
07936
Minneapolis,
MN 55437
Little Rock,
AK 72205
Begin Date
04/01/99
07/01/94
07/01/96 End
Date
Evergreen
12/31/99
Evergreen
Renegotiating

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----- ------

------ Amen
Tablets
0088-0049-05
50 6.00%
12.00%
10.00% Amen
Tablets
0088-0049-10
100 6.00%
12.00%
10.00% Amen
Tablets
0088-0049-90
1000 6.00%
12.00%
10.00%
Bontril PDM
Tablets
0088-0048-10
100 Bontril
PDM Tablets
0088-0048-90
1000 Bontril
SR Capsules
0088-0047-10
100 Capital
& Codeine
Susp 0088-
0046-16 480
12.00%
10.00%
Exgest LA
Tablets
0088-0083-10
100 12.00%
10.00%
Exgest LA
Tablets
0088-0083-50
500 12.00%
10.00%
Hydrocet
Capsules
0088-0057-10
100 Motofen
Tablets
0088-0074-05
50 12.00%
6.00%
Motofen
Tablets
0088-0074-10
100 12.00%
6.00%
Nolahist
Tablets
0088-0052-10
100 10.00%

Nolahist Tablets 0088-0052-24 168 10.00% Nolamine TR Tablets 0088-0204-10 100 12.00% 6.00% Nolamine TR Tablets 0088-0204-25 250 12.00% 6.00% Phrenilin Tablets 0088-0050-10 100 12.00% 10.00% Phrenilin Tablets 0088-0050-50 500 12.00% 10.00% Phrenilin Forte Capsules 0088-0058-10 100 12.00% 10.00% Phrenilin Forte Capsules 0088-0058-50 500 12.00% 10.00% Propagest Tablets 0088-0051-10 100 Salflex Tablets 500 mg 0088-0071-10 100 6.00% 10.00% Salflex Tablets 750 mg 0088-0072-10 100 6.00% 10.00% Salflex tablets 750 mg 0088-0072-50 500 6.00% 10.00% Sinulin Tablets 0088-0068-02 20 Sinulin Tablets 0088-0068-10 100 Sinulin Tablets 0088-0068-24 168

Pro Vantage Prudential 13555 Bishops Court 4100 Alpha Road Suite 201 Suite 400 Brookfield, WI 63005 Dallas, TX 75244-4327 Begin Date 01/01/99 10/01/97 End Date Evergreen 08/30/00 - ---------- ------ --- ---------- ---------- - -------- ---------- ---- Amen Tablets 0088-0049-05 50 4% to 10% Amen Tablets

0088-0049-10 100 4% to 10% Amen Tablets
0088-0049-90 1000 4% to 10% Bontril PDM Tablets
0088-0048-10 100 Bontril PDM Tablets
0088-0048-90 1000 Bontril SR Capsules
0088-0047-10 100 Capital & Codeine Susp 0088-0046-16
480 Exgest LA Tablets
0088-0083-10 100 4% to 10% 12.00% Exgest LA Tablets
0088-0083-50 500 4% to 10% 12.00% Hydrocet Capsules
0088-0057-10 100 Motofen Tablets
0088-0074-05 50 Motofen Tablets
0088-0074-10 100 Nolahist Tablets
0088-0052-24 100 Nolahist Tablets
0088-0052-24 168 Nolamine TR Tablets
0088-0204-10 100 4% to 7% 10.00% Nolamine TR Tablets
0088-0204-25 250 4% to 7% 10.00% Phrenilin Tablets
0088-0050-10 100 4% to 10% Phrenilin Tablets
0088-0050-50 500 4% to 10% Phrenilin Forte Capsules
0088-0058-10 100 4% to 10% Phrenilin Forte Capsules
0088-0058-50 500 4% to 10% Propagest Tablets
0088-0051-10 100 Salflex Tablets

	500 mg		
0088-0071-10	100	4% to 10%	Salflex Tablets 750 mg
0088-0072-10	100	4% to 10%	Salflex tablets 750 mg
0088-0072-50	500	4% to 10%	Sinulin Tablets
0088-0068-02	20		Sinulin Tablets
0088-0068-10	100		Sinulin Tablets
0088-0068-24	168		

* = Evergreen clause in contract (contract is automatically renewed for one-year periods)

ELAN PHARMACEUTICALS, INC.
Schedule of Contract Pricing (Rebate Contracts)

RXAmerica
Scott &
White
Wellpoint
389 Billy
Mitchell
Rd. 2601
Thornton
Lane 4553
La Tianda
Drive Salt
Lake City
Temple,
Thousand
Oaks,
UT84116
TX78502
CA91382
Begin Date
10/01/96
01/01/98
04/01/99
End Date
Evergreen*
Evergreen*
Evergreen*

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--- Amen
Tablets
0088-0049-
05 50
10.00% 4%
to 10%
Amen
Tablets
0088-0049-
10 100
10.00% 4%
to 10%
Amen
Tablets
0088-0049-
90 1000
10.00% 4%
to 10%
Bontril
PDM
Tablets
0088-0048-
10 100
10.00%
Bontril
PDM
Tablets
0088-0048-
90 1000
10.00%
Bontril SR
Capsules
0088-0047-
10 100
10.00%
Capital &
Codeine
Susp 0088-
0046-16
480 10.00%
4% to 10%
Exgest LA
Tablets
0088-0083-
10 100
8.00%
10.00% 4%
to 10%
Exgest LA
Tablets
0088-0083-
50 500
8.00%
10.00% 4%
to 10%
Hydrocet
Capsules
0088-0057-
10 100
8.00%

10.00%
Motofen
Tablets
0088-0074-
05 50
8.00%
8.00%
Motofen
Tablets
0088-0074-
10 100
8.00%
8.00%
Nolahist
Tablets
0088-0052-
10 100
10.00%
10.00%
Nolahist
Tablets
0088-0052-
24 168
10.00%
10.00%
Nolamine
TR Tablets
0088-0204-
10 100
8.00% 4%
to 10%
Nolamine
TR Tablets
0088-0204-
25 250
8.00% 4%
to 10%
Phrenilin
Tablets
0088-0050-
10 100
8.00%
10.00% 4%
to 10%
Phrenilin
Tablets
0088-0050-
50 500 4%
to 10%
Phrenilin
Forte
Capsules
0088-0058-
10 100
8.00%
10.00% 4%
to 10%
Phrenilin
Forte
Capsules
0088-0058-
50 500 4%
to 10%
Propagest
Tablets
0088-0051-
10 100
8.00%
10.00%
Salflex
Tablets
500mg
0088-0071-
10 100
8.00%
10.00%
Salflex
Tablets
750mg
0088-0072-
10 100
8.00%
10.00%
Salflex
Tablets
750mg
0088-0072-
50 500
8.00%
10.00%
Sinulin
Tablets
0088-0068-
02 20
10.00%
Sinulin
Tablets
0088-0068-

10 100
10.00%
Sinulin
Tablets
0088-0068-
24 168
10.00%

Medicaid
Connecticut
PACE c/o
HCFA
(Medicaid
Supplemental)
Begin Date
(XXXX change
quarterly
07/03/1991
End Date and
are $/unit)
Evergreen* -
---------- -

- ----------

Amen Tablets
0088-0049-05
50 $0.024890
Same as HCFA
Amen Tablets
0088-0049-10
100
$0.024890
Same as HCFA
Amen Tablets
0088-0049-90
1000
$0.024890
Same as HCFA
Bontril PDM
Tablets
0088-0048-10
100
$0.006878
Same as HCFA
Bontril PDM
Tablets
0088-0048-90
1000
$0.006878
Same as HCFA
Bontril SR
Capsules
0088-0047-10
100
$0.235680
Same as HCFA
Capital &
Codeine Susp
0088-0046-16
480
$0.009432
Same as HCFA
Exgest LA
Tablets
0088-0083-10
100
$0.036502
Same as HCFA
Exgest LA
Tablets
0088-0083-50
500
$0.036502
Same as HCFA
Hydrocet
Capsules
0088-0057-10
100
$0.020595
Same as HCFA
Motofen
Tablets
0088-0074-05
50 $0.123520
Same as HCFA
Motofen
Tablets
0088-0074-10
100
$0.123520
Same as HCFA
Nolahist
Tablets
0088-0052-10
100

						$0.062487	Same as HCFA
							Nolahist Tablets
						0088-0052-24	168
						$0.062487	Same as HCFA
							Nolamine TR Tablets
						0088-0204-10	100
						$0.314818	Same as HCFA
							Nolamine TR Tablets
						0088-0204-25	250
						$0.314818	Same as HCFA
							Phrenilin Tablets
						0088-0050-10	100
						$0.021854	Same as HCFA
							Phrenilin Tablets
						0088-0050-50	500
						$0.021854	Same as HCFA
							Phrenilin Forte Capsules
						0088-0058-10	100
						$0.023078	Same as HCFA
							Phrenilin Forte Capsules
						0088-0058-50	500
						$0.023078	Same as HCFA
							Propagest Tablets
						0088-0051-10	100
						$0.006373	Same as HCFA
							Salflex Tablets 500mg 0088-0071-10 100
						$0.006061	Same as HCFA
							Salflex Tablets 750mg 0088-0072-10 100
						$0.128180	Same as HCFA
							Salflex Tablets 750mg 0088-0072-50 500
						$0.128180	Same as HCFA
							Sinulin Tablets
						0088-0068-02	20 $0.019340
						Same as HCFA	
							Sinulin Tablets
						0088-0068-10	100
						$0.019340	Same as HCFA
							Sinulin Tablets
						0088-0068-24	168
						$0.019340	Same as HCFA

* = Evergreen clause in contract (contract is automatically renewed for one-year periods)

DATED 2000

(1) AMARIN CORPORATION, PLC

(2) ELAN PHARMACEUTICALS, INC

VARIATION AGREEMENT

re: Amended and Restated
Assets Purchase Agreement dated 29 September, 1999

NICHOLSON GRAHAM & JONES
110 Cannon Street London EC4N 6AR
Ref: MPS/E327-6
Tel: 020 7648 9000
Fax: 020 7648 9001
E-Mail: matthew.shaxson@ngj.co.uk

THIS AGREEMENT is made the _____ day of _____ 2000

BETWEEN:-

(1) AMARIN CORPORATION PLC (Registered in England) whose registered office is at Gemini House, Bartholomew's Walk, Ely, Cambridgeshire, England ("Buyer"); and

(2) ELAN PHARMACEUTICALS, INC a Delaware Corporation ("Seller")

NOW THIS DEED WITNESSES as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the "Acquisition Agreement" means the amended and restated asset purchase agreement dated 29 September 1999 and made between (1) the Buyer and (2) the Seller.

1.2 Definitions which occur in this Agreement shall have the same meaning as in the Acquisition Agreement unless otherwise stated or the context otherwise requires.

1.3 Clause headings are for ease of reference only and shall not affect the construction of this Agreement.

2. RECITALS

2.1 This Agreement is supplemental to the Acquisition Agreement.

2.2 The Acquisition Agreement provides, inter alia, that Buyer will pay Seller US$23,200,000 as consideration for the Inventory, payable in two tranches as to US$16,700,000 on or before 31 December 1999 and as to US$6,500,000 on or before 29 September 2000 (the "Deferred Payment").

2.3 The parties hereto desire to alter the terms of the Acquisition Agreement as mentioned below in order that the satisfaction of the Deferred Payment by the Buyer may be deferred to a date no later than 29 September 2004.

3. VARIATION

It is agreed by the parties hereto that, with retrospective effect from the date of the Acquisition Agreement, the Acquisition Agreement shall be deemed to be varied by the deletion of the words "on or before September 29, 2000 (the "Deferred Payment"); and" from the penultimate line of Article (IV) : Section 4.01(b) and the following words inserted in their stead:-

"(the "Deferred Payment"), forthwith after obtaining such regulatory or legal consents as may be necessary (including, without limitation, shareholder approval and/or the approval of the Panel of Takeovers and Mergers, London) which Buyer hereby agrees to use its reasonable endeavours to procure as soon as reasonably practicable from the date hereof, by the allotment and issuance of such equity securities in Buyer at par in favour of Seller (or Seller's Nominee) of whatever class (including, without limitation, ordinary shares or preference shares, and whether represented by

American Depository Receipts or otherwise) necessary to satisfy the Deferred Payment PROVIDED THAT if the Deferred Payment has not been satisfied on or before September 29, 2004 (of which time shall be of the essence), the Deferred Payment shall thereafter become without demand due and payable by Buyer without set-off or counterclaim; and"

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Agreement, the parties hereto confirm that the Acquisition Agreement shall continue in full force and effect in all respects.

5. MISCELLANEOUS

5.1 The provisions of Article X : Sections 10.05, 10.06, 10.07, 10.09 and 10.12 of the Acquisition Agreement shall be incorporated into this Agreement mutatis mutandis.

5.2 This Agreement may be executed in two counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but both counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Agreement has been executed by the parties hereto the day and year first above written.

AMARIN CORPORATION, PLC

By: _____

Name: [ ]
Title: [ ]

ELAN PHARMACEUTICALS, INC

By: _____

Name: [ ]
Title: [ ]

EXECUTION COPY

DATE: 27TH JANUARY 2003

AMARIN CORPORATION PLC.
AND
ELAN PHARMA INTERNATIONAL LIMITED

DEED OF VARIATION
RELATING TO
OPTION AGREEMENT DATED 18 JUNE 2001
(ZELAPAR(R))

INDEX

THIS DEED OF VARIATION is made the 27th January 2003

BETWEEN:

(1) AMARIN CORPORATION PLC, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("AMARIN"); and

(2) ELAN PHARMA INTERNATIONAL LIMITED, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("ELAN").

WHEREAS:

(A) Amarin and Elan entered into an Option Agreement dated 18 June 2001 (the "AGREEMENT").

(B) Elan Corporation, plc., Elan, Elan International Services Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and Amarin have entered into a Master Agreement of even date herewith (the "MASTER AGREEMENT").

(C) Pursuant to the Master Agreement, Amarin and Elan have agreed to amend the Agreement by and upon the terms of this Deed.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.

1.2. Reference to clauses herein are to clauses in the Agreement.

2. INTRODUCTION

This Deed is supplemental to the Agreement.

3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. Section 3.1(d) shall be deleted in its entirety and replaced with the following:

"(d) Among other things, the Assignment Agreement shall provide that Amarin shall assume and perform Elan's obligations under the Scherer Agreement as of the date of the transfer and assignment of the Rights; that in the event of a conflict between the Scherer Agreement and the Assignment Agreement, the Scherer Agreement shall control; that the parties shall cooperate reasonably to enable the other to fulfill their respective remaining obligations under the Scherer Agreement in and outside the Territory; and that in the event of a material breach by Amarin of the Assignment Agreement or of this Agreement (including without limitation failure to pay the sum referred to in Section 7.1(a)(ii) or any milestone payment), or of any other agreement between Amarin and Elan or any Elan Affiliate, which is not remedied within 90 (ninety) days of Elan giving written notice to Amarin of such breach, or in the event of the insolvency of Amarin, the Rights shall revert to Elan. For the purposes of this Agreement, "Elan Affiliate" means Elan Corporation, plc.

and each of its subsidiaries, within the meaning of Section 736 of the Companies Act 1985 (UK)."

3.2. Section 3.2 shall be varied by the insertion of the words "the Approval Date, the "Approval Date" being" immediately after the words "... thirty (30) days from".

3.3. Section 3.4 shall be varied by the insertion of the words "subject to Section 4.4" between the words "During the Option Period, Elan shall" and "be responsible for and...".

3.4. Section 4.4 shall be deleted in its entirety and replaced with the following:

"4.4 Expenses. The costs and expenses associated with the parties' respective performance of their obligations under this Agreement shall be borne as follows:

(a) Elan will bear all costs and expenses (internal and external) incurred prior to 31 December 2002 (the "AMENDMENT DATE") and associated with performing its obligations under this Agreement, including without limitation Section 3.4 above, and the implementation of the Plan prior to the Amendment Date.

(b) Subject to Section 4.5, Amarin shall be responsible for all reasonable and verifiable Out Of Pocket Costs, whether incurred by Elan, Amarin or a third party where such Out Of Pocket Costs have been approved previously by the Steering Committee and such Out Of Pocket Costs are not attributable to a negligent act or omission or breach of the terms of this Agreement or the Assignment Agreement by, or on behalf of, Elan.

(c) Each party shall be responsible for its costs and expenses which are not Out Of Pocket Costs in connection with (i) Elan's activities pursuant to Section 3.4 and/or (ii) the implementation of the Plan, incurred on or after the Amendment Date.

For the purposes of this Section 4.4, "OUT OF POCKET COSTS" shall mean all amounts payable to third parties, including without limitation contractors, incurred on or after the Amendment Date in connection with (i) Elan's activities pursuant to Section 3.4 and/or (ii) the implementation of the Plan."

3.5. After Section 4.4 there shall be added the following new Sections 4.5 and 4.6:

"4.5 Process and Audit.

(a) Within 15 days of the end of each calendar month following the Amendment Date, Elan and Amarin shall provide to each other a statement of their Out Of Pocket Costs incurred in the previous calendar month. Within 15 days thereafter, Amarin shall pay to Elan an amount equivalent to such Out Of Pocket Expenses of Elan.

(b) For the 90 day period following the close of each calendar year, Amarin and Elan will, in the event that the other party reasonably requests such access, provide each other's independent certified accountants (reasonably acceptable to the other party) with access, during regular business hours and subject to the confidentiality provisions as contained in this Agreement, to such party's books and records relating to Out Of Pocket Costs, solely for the purpose of verifying the accuracy and reasonable composition of the calculations hereunder for the calendar year then ended.

(c) In the event of a discovery of a discrepancy which exceeds five per cent (5%) of the amount due or charged by a party for any period, the cost of such audit shall be borne by the audited party; otherwise, such cost shall be borne by the auditing party.

4.6 Credit. Amarin shall be entitled to recover one half of Amarin's and Elan's Out Of Pocket Costs previously approved by the Steering Committee as a credit against the amount payable under Section 7.2(a), up to a maximum credit of Five Million Dollars ($5,000,000). For the avoidance of doubt, in the event that Amarin does not exercise the Option, or the amount under Section 7.2(a) otherwise does not become payable for any reason, Amarin shall not be entitled to any refund or contribution in respect of Out Of Pocket Costs of Amarin or Elan."

3.6. Section 7.1 shall be deleted in its entirety and replaced with the following:

"7.1 Purchase Price. Amarin shall pay to Elan:

(a) if (x) the Approval Date is prior to 30 September 2003 and (y) Amarin is not in default of its payment obligations under the Loan Agreement dated 28 September 2001 (as amended) with Elan or the Amended and Restated Distribution, Marketing and Option Agreement dated 28 September 2001 (as amended) (which agreement concerns the product Permax) by and between Elan Pharmaceuticals, Inc. and Amarin, other than a clerical or administrative error in respect of the calculation of interest under the Loan Agreement, written notice of which default has been given by Elan, or as the case may be by the Elan Affiliate, to Amarin and (z) Amarin so elects by written notice to Elan at the time of exercise of the Option, the following non-refundable amounts:

(i) Two Million Two Hundred and Fifty Thousand Dollars ($2,250,000) upon closing of the Option, which shall occur on a mutually agreed date as soon as practicable after the exercise of the Option; and

(ii) Eight Million Dollars ($8,000,000) ninety (90) days from the Approval Date, but in no event later than the later of (x) exercise of the Option and (y) 30 September 2003;

(b) in all other cases, the non-refundable amount of Ten Million Dollars ($10,000,000) upon closing of the Option.

Such payment or payments shall not be subject to any future performance obligations of Elan to Amarin and shall not be applicable against any future services provided by Elan to Amarin."

3.7. Section 7.2(a) shall be varied by the deletion of the words "Twelve Million Five Hundred Thousand Dollars ($12,500,000)" and the substitution therefor of the words "Seventeen Million Five Hundred Thousand Dollars ($17,500,000)".

3.8. After Section 8.3 there shall be added the following new Section 8.4:

"8.4 Elan may terminate this Agreement and the Option in the event that:

(a) Amarin materially breaches any agreement (other than this Agreement) between Amarin and Elan or any Elan Affiliate, which breach is not remedied within 90 (ninety) days of Elan giving written notice to Amarin of such breach;

(b) Amarin is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors (other than Elan and/or Elan Affiliates) with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or composition with its creditors;

(c) Amarin takes any corporate action or other steps are taken or legal proceedings are started for its winding up (which are not dismissed or struck out within seven days of presentation), or for its dissolution, administration or re-organisation (other than in connection with a bona fide solvent restructuring) or for the appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of it or of all or a substantial part of its revenues and assets; or

(d) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any substantial part of, the property, undertakings or assets of Amarin or any event occurs which under the laws of any jurisdiction has a similar or analogous effect."

3.9. Section 9 shall be varied by the addition of the words "and the Option" between the words "...immediately terminate this Agreement" and "by written notice...".

3.10. Section 10.3 shall be varied by the addition of the words ", Section 8.4 and Section 9" after the words "Section 8.3".

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. EXECUTION AND DELIVERY

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. MISCELLANEOUS

6.1. The provisions of Article 10 (Miscellaneous) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

EXECUTED as a DEED by)
AMARIN CORPORATION PLC)
acting by:-)

Director /s/ Richard Stewart

Secretary /s/ Jonathan Lamb

SIGNED and delivered as a Deed)
by) /s/ Kevin Insley
as attorney for)
ELAN PHARMA INTERNATIONAL)
LIMITED)
in the presence of:)

- ------------------------
Signature of witness

CONFIDENTIAL

EXHIBIT 4.8

AMENDED AND RESTATED LICENSE AND SUPPLY AGREEMENT

This AMENDED AND RESTATED LICENSE AND SUPPLY AGREEMENT (this "Agreement"), made the 29th day of March, 2002 ("Effective Date") by and between Eli Lilly and Company, an Indiana corporation located at Lilly Corporate Center, Indianapolis, Indiana (hereinafter referred to as "Lilly"), and Amarin Corporation, plc, a British corporation located at 7 Curzon Street, London W1J 5HG, United Kingdom (hereinafter referred to as "Amarin").

WHEREAS, Lilly has certain intellectual property rights in a pharmaceutical product called Permax(R) (pergolide mesylate), useful in the management of the signs and symptoms of Parkinson's disease, and own and/or controls certain patent rights, trademarks and Know-How (as hereinafter defined) relating thereto;

WHEREAS, Lilly granted Athena Neurosciences, Inc., a Delaware corporation then located at 800 F Gateway Boulevard, South San Francisco, California ("Athena") an exclusive license to market Permax(R) in the Territory (as hereinafter defined) and agreed to supply Athena with Permax(R) (collectively, "License and Supply Rights") on the terms and conditions set forth in that certain License and Supply Agreement between Lilly and Athena, dated April 16, 1993 ("Original License Agreement");

WHEREAS, Athena agreed to pay Lilly $36,000,000.00 and to comply with certain terms and conditions of the Original License Agreement in consideration of the License and Supply Rights;

WHEREAS, Athena paid Lilly the $36,000,000.00 under the terms of the Original License Agreement and the letter amendment between Lilly and Athena, dated

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. SUCH PORTIONS HAVE BEEN MARKED AS [*] IN THE TEXT OF THIS EXHIBIT. THE OMITTED CONFIDENTIAL INFORMATION HAS BEEN FILED SEPARATELY WITH THE US SECURITIES AND EXCHANGE COMMISSION.

March 24, 1994 ("First Amendment"), which amended the Original License Agreement;

WHEREAS, Lilly and Athena agreed to further amend the terms and conditions of the Original Agreement and First Amendment, under the terms and conditions of that certain Second Amendment To License And Supply Agreement between Lilly and Athena, dated as of May 31, 1995 ("Second Amendment"), and the terms and conditions of that certain Amendment To License And Supply Agreement between Lilly and Athena, effective March 23, 1998 ("Third Amendment", which together with the Original License Agreement, the First Amendment, the Second Amendment, and the Third Amendment, shall hereinafter be collectively referred to as the "Athena License Agreement");

WHEREAS, effective January 1, 1999, under the terms and conditions of an asset transfer agreement, Athena assigned all of its rights, obligations, and interest in the Athena License Agreement to Elan Pharmaceuticals, Inc., a Delaware corporation located at 800 Gateway Boulevard, South San Francisco, California (hereinafter referred to as "Elan"), and Elan assumed all of Athena's rights, obligations, and interest in the Athena License Agreement;

WHEREAS, Elan granted Amarin an option to secure all of Elan's rights, obligations, and interest under the Athena License Agreement, and appointed Amarin as Elan's exclusive distributor for Permax(R), all pursuant to a Distribution, Marketing, and Option Agreement between Elan and Amarin, dated May 17, 2001, as amended on September 30, 2001 ("Option Agreement");

WHEREAS, Lilly consented to the Option Agreement and further amended the Athena License Agreement, pursuant to and under the terms and conditions of that certain Written Consent and Amendment of License Agreement between Lilly and Elan, effective June 30, 2001 ("Fourth Amendment", which together with

the Athena License Agreement shall hereinafter be collectively referred to as the "Elan License Agreement");

WHEREAS, NOW, Amarin desires to exercise its right under the Option Agreement to secure and assume all of Elan's rights, obligations and interest in the Elan License Agreement, except for the Elan Retained Rights ("Option"); and

WHEREAS, NOW, Lilly is willing to consent to the exercise by Amarin of the Option conditioned upon Amarin executing and entering into this Agreement (which by its terms and upon execution will amend and restate the Elan License Agreement in its entirety relative to the rights and obligations assigned to Amarin), and Elan, simultaneously, executing and entering into and that Consent to Assignment and Limited Guaranty (under which Elan guarantees, for a limited time period, Amarin's performance under this Agreement, and Elan affirms certain of its obligations (e.g. continuing confidentiality obligation)) ("Guaranty"):

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

ARTICLE 1
INCORPORATION OF RECITALS AND DEFINITIONS

1.-- The recitals, hereinabove, are incorporated into this Agreement by reference.

1.01 "Affiliate" shall mean any company or entity controlled by, controlling or under common control with a party to this Agreement and shall include, without limitations (i) any company more than fifty percent (50%) of whose voting stock or other ownership interest is owned or controlled, directly or indirectly, by either party; (ii) any company that own or controls, directly or indirectly, more than fifty percent (50%) of the voting stock of either party; and (iii) any company the

majority ownership of which is directly or indirectly common to the ownership of either party.

1.02 "ANDA" shall mean an abbreviated new drug application for Permax(R) filed with the FDA pursuant to the Code of Federal Regulations.

1.03 "Bulk Substance" shall mean the bulk active ingredient with the generic name pergolide mesylate.

1.04 "Bulk Tablets" shall mean Bulk Substance formulated into finished tablets.

1.05 "Development Agreement" means that certain Development and Marketing Agreement dated May 23, 1998, by and between Lilly and Athena, under which Lilly and Athena agreed to develop and market a Permax Patch, which was terminated by Lilly on June 9, 1999. Through an assignment, Elan became a successor-in-interest to Athena's rights and obligations under the Development Agreement.

1.06 "Elan Retained Rights" shall mean Lilly's Know-How and Patent Rights to the extent the foregoing is reasonably required or necessary for the research, development, manufacture and/or commercialization of the Permax Patch, as such Know-How and Patent Rights were licensed or otherwise transferred to Elan under the Elan License Agreement and/or the Development Agreement.

1.07 "Effective Date" shall have the meaning ascribed to such term in the Recitals.

1.08 "FDA" means the United States Food and Drug Administration or any successor thereof.

1.09 "Formulate" means the process by which Bulk Substance is converted into Bulk Tablets.

1.10 "Improvements" means inventions and discoveries related specifically to Permax(R) including but not limited to: new/additional dosage forms, formulations, salts, delivery systems, pro-drugs, analogues, process improvements and clinical indications, whether or not patentable, developed or acquired by a party and/or its Affiliates and sublicensees prior to or during the term of this Agreement.

1.11 "Know-How" means all data, instructions, processes, formulae, expert opinions, and information (and manufacturing, formulation or packaging, as appropriate, if licenses for such activities are granted pursuant to this Agreement) not generally known and reasonably necessary for the use and/or sale of Permax(R) by Amarin in the possession of Lilly. Know-How shall include, without limitation, marketing costs and marketing expense data, sales information, distribution information, biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, safety, quality control, clinical data, and trade secrets. Notwithstanding, Know-How shall exclude Retained Know-How, until the Elan Retained Rights are assigned to Amarin under a separate assignment agreement between Amarin and Elan.

1.12 "Margin" when referring to Amarin's or Elan's Margin shall mean, with respect to any Year, a percentage equal to (i) Amarin's or Elan's combined Net Sales of all Pack presentations less the combined Supply Price for these Net Sales divided by (ii) Amarin's or Elan's combined Net Sales of all Pack presentations and when referring to Lilly's Margin shall mean, with respect to any Year, a percentage equal to (i) the combined Supply Price for the Permax(R) sold to Amarin hereunder less Lilly's combined cost of manufacturing such Permax(R) divided by the combined Supply Price for the Permax(R) sold to Amarin.

1.13 "NDA" means a new Drug Application as filed with the FDA pursuant to the Code of Federal Regulations.

1.14 "Net Sales" shall mean the aggregate gross sales of Permax(R) by a party and its Affiliates (other than sales among a party and its Affiliates) determined in accordance with Generally Accepted Accounting Principles, consistently applied, provided that Net Sales for purposes of Amarin shall be reduced by the difference between the aggregate sales made directly to patients through any mail order retail pharmacy owned, controlled by or Affiliated with Amarin and the equivalent Net Wholesale Price of these sales, less: cash, trade or quantity discounts; sales, use, tariff, or other excise taxes imposed upon particular sales; transportation charges; and other credits or allowances, including those granted on account of prices, adjustments, returns of rebates, if any are incurred or granted.

1.15 "Net Wholesale Price" shall mean the price for Permax(R) offered by Lilly or Amarin, as applicable, to authorized wholesalers in the Territory.

1.16 "Pack" shall mean a package containing a number of Permax(R) tablets in final packaging form ready for supply to wholesalers, retailers or customers.

1.17 "Package" or "Packaging" shall mean the conversion of Bulk Tablets into finished Packs for sale.

1.18 "Patent Rights" shall mean any and all patent applications heretofore filed or having legal force in the Territory owned by or licensed to Lilly as set forth in EXHIBIT A or to which Lilly otherwise acquired rights, which pertain to the manufacture, use or sale of Permax(R) in the Territory, together with any and all patents that have issued or in the future issue therefrom, including certificates of inventions and any and all divisions, continuations, continuations-in-part, extensions, reissues or additions to any of the aforesaid patents and patent

applications. Notwithstanding, Patent Rights shall exclude Retained Patent Rights, until Elan Retained Rights are assigned to Amarin under a separate assignment agreement between Amarin and Elan.

1.19 "Permax(R)" shall mean any pharmaceutical formulation containing pergolide mesylate, chemically designated as 8a-[(Methylthio)methyl] -6-propylergoline monomethanesulfonate, currently sold under the registered trademark Permax(R) or subsequently introduced and sold in the Territory. Notwithstanding, Permax(R) shall exclude any rights to or interest in the Permax Patch, until such rights and interest are assigned to Amarin under a separate assignment agreement between Amarin and Elan.

1.20 "Permax Patch" shall mean any transdermal patch used for the delivery of a formulation of the human pharmaceutical product in which the active ingredient is pergolide mesylate.

1.21 "Programs" shall mean Amarin's indigent supply program and Amarin's physician courtesy supply program, as each is in effect from time to time In Amarin's sole discretion.

1.22 "Retained Know-How" shall mean Know-How to the extent the foregoing is reasonably required or necessary for the research, development, manufacture and/or commercialization of the Permax Patch.

1.23 "Retained Patent Rights" shall mean Patent Rights to the extent the foregoing is reasonably required or necessary for the research, development, manufacture and/or commercialization of the Permax Patch.

1.24 "Samples" shall mean 30 count 0.05 mg strength and 30 count 0.25 mg strength Packaged Bulk Tablets (or other presentations of Packaged Bulk Tablets as may be agreed by Amarin and Lilly) for sampling to physicians.

1.25 "Specifications" shall mean the manufacturing specifications for Permax(R) as set forth in Exhibit B and in Lilly's NDA for Permax(R). If Amarin obtains its ANDA, the Specifications shall be the manufacturing specifications for Permax(R) as set forth in Amarin's ANDA, provided that such specifications are not different than the Specifications in effect immediately prior to Amarin obtaining its ANDA unless Lilly has given its prior written consent to such change.

1.26 "Supply Price" shall mean the price which Lilly charges Amarin for Packs, Bulk Tablets, Bulk Substance or Samples determined in accordance with Section 6.1 and 6.4.

1.27 "Territory" shall mean the United States of America, its territories and possessions, including Puerto Rico.

1.28 "Year" shall mean any calendar year during the term of this Agreement except that the first calendar year of this Agreement shall be pro-rated from the Effective Date through December 31, 2002.

ARTICLE 2
LICENSE AND KNOW-HOW TRANSFER

2.1 Lilly hereby grants to Amarin and Amarin hereby accepts an exclusive paid-up license, with the right to sublicense, under the Patent Rights and Lilly's Know-How, to use, promote, market and sell Permax(R) (excluding only the Elan Retained Rights) in the Territory in accordance with the terms and conditions set forth in this Agreement, provided that such right to sublicense is effective only after Amarin has its own ANDA approved by FDA or equivalent regulatory authorization in the Territory. Lilly also hereby grants to Amarin and Amarin hereby accepts a paid-up sole license to exclusively distribute Permax(R) (excluding only the Elan Retained Rights) in the Territory in accordance with the

terms and conditions set forth in this Agreement, except for Lilly's right to distribute Permax(R) for its sales to Amarin and its own sales outside the Territory; provided, however, that Amarin shall also have the right to sublicense after it has its own ANDA approved by FDA or equivalent regulatory authorization in the Territory. If Amarin exercises its right to acquire Bulk Substance or Bulk Tablets as provided in Section 5.3, Lilly shall grant to Amarin a paid-up sole license, with a right to sublicense, under the Patent Rights and Lilly's Know-How to Formulate the Bulk Substance into Bulk Tablets and/or to Package the Bulk Tablets, as appropriate, to allow Amarin to exercise its rights in accordance with the terms and conditions set forth in this Agreement. Notwithstanding any other provision of this Agreement, if Elan assigns all of its rights to and interest in the Elan Retained Rights to Amarin and causes all persons to whom Elan has transferred any right or interest in the Elan Retained Rights to assign all of such rights and interests to Amarin, then the licenses described in the prior sentences shall include the Elan Retained Rights.

2.2 Lilly is the owner of United States trademark registration No. 1382020 for the mark Permax(R) (the "Mark"). Subject to the terms and conditions of this Agreement, Lilly hereby grants to Amarin an exclusive license to use the Mark in the Territory during the term of this Agreement. Provided this Agreement is not terminated by Amarin pursuant to Section 14.2 or by Lilly pursuant to Section 14.3, Amarin's license to use the Mark shall survive the termination of this Agreement for a period of five (5) years. Thereafter, Lilly shall assign to Amarin all United States rights, title and interest in the Mark, provided Amarin did not terminate this Agreement pursuant to Section 14.2 or Lilly did not terminate this Agreement pursuant to Section 14.3. The foregoing shall not convey any rights to Amarin to use the Mark outside the Territory and shall not limit Lilly's use of the Mark outside the Territory. Amarin agrees to use the Mark in accordance with applicable state and federal laws and regulations and reasonable quality standards established by Lilly and provided to Amarin.

2.3 Amarin understands and acknowledges that Elan is retaining the Elan Retained Rights under the terms and conditions of the Elan License Agreement. Amarin also acknowledges that Elan and Amarin are currently negotiating in good faith for Elan (and/or any person to whom Elan has transferred any interest in the Elan Retained Rights) to assign all of the Elan Retained Rights to Amarin under the terms and conditions of a separate assignment agreement. Amarin agrees that if Elan or any other person (including, without limitation, Elan Affiliates or joint ventures in which Elan owns any interest) assigns to Amarin Retained Know-How and/or Retained Patent Rights, such Retained Know-How and Retained Patent Rights shall be deemed Know-How and Patent Rights, respectively, as defined in this Agreement, and subject to the terms and conditions of this Agreement, and Lilly hereby consents to such assignment.

2.4 Lilly shall make available to Amarin, promptly upon Amarin's request, the Know-How not provided to Athena or Elan prior to the Effective Date, as necessary to exercise its rights and comply with its responsibilities under this Agreement.

ARTICLE 3
MARKETING

3.1 During the term of this Agreement and for a period of five (5) years after its termination, Amarin agrees that it will not sell pergolide outside the Territory. Lilly agrees that it will not sell pergolide in the Territory during the term of this Agreement and for a period of five (5) years thereafter, other than sales to Amarin and except to the extent such sales are intended as part of Lilly's distribution outside the Territory. These obligations are specifically intended to survive any expiration or termination of this Agreement.

3.2 Amarin shall submit to Lilly's Regulatory Affairs group an annual marketing plan by October 1st for the coming Year which will include Amarin's plans for the

promotion, marketing and sale of Permax(R) in the Territory so that Lilly may review such plan to ensure coordination of regulatory compliance. Lilly shall have thirty (30) days to review such marketing plan and provide Amarin with its comments on same. Amarin shall give good faith consideration to Lilly's comments, however, Lilly shall not have the right to approve such plan and Amarin shall be free to implement its annual marketing plan regardless of Lilly's approval of same. Disagreements regarding Amarin's annual marketing plan shall be discussed in good faith between a Lilly nominee and Amarin's Vice President of Marketing. Amarin shall, moreover, provide any written changes to such marketing plan to Lilly as quickly as possible after such changes occur and Lilly shall then have the opportunity to review and provide Amarin with its comments on such changes, which comments Amarin shall consider in good faith.

3.3 Amarin shall have exclusive control over the pricing of Permax(R) for its sales in the Territory, to the extent legally permissible.

3.4 During the term of this Agreement, an employee of Lilly will be designated as a liaison to Amarin and shall be available at reasonable times to consult with Amarin regarding regulatory and clinical matters and the supply, promotion, distribution and sale of Permax(R) in the Territory, as reasonably requested by Amarin. Lilly shall have no obligation to provide any other training or materials to Amarin.

3.5 Amarin will develop, prepare and pay for all product promotional materials, selling aids, journal ads and other items used to promote Permax(R) in the Territory. Throughout the term of this Agreement, Lilly shall provide Amarin, free of charge, with reasonable information regarding Lilly's worldwide sales efforts for Permax(R) as Amarin and Lilly may deem useful for developing sales in the Territory, including, but not limited to market research, promotional materials and

forecasts prepared by Lilly, as is normally done by Lilly as part of its communications among Affiliates.

3.6 Amarin shall use reasonable efforts consistent with generally accepted business practices and legal requirements to promote and market Permax(R) in the Territory, which efforts shall in no event be less than the efforts customarily given to the promotion of Amarin's other prescription products, and which shall be in accordance with the marketing plan(s) as provided in Section 3.2.

3.7 Amarin will have responsibility for all correspondence with physicians in the Territory related to Permax(R) and Lilly will refer questions related to Permax(R) raised by such physicians to Amarin for its response. However, the foregoing is not intended to restrict Lilly from responding directly to such physicians to the extent required by applicable law or regulation. If Lilly believes that it is appropriate for it to correspond directly with physicians in the Territory related to Permax(R) but is not required by applicable law or regulation, Lilly may do so with the prior written consent of Amarin, such consent to not be unreasonable withheld. Lilly and Amarin will each provide the other with copies of any responses it sends to physicians in the Territory.

3.8 Amarin and Lilly shall each have publication rights with respect to the other party's data regarding Permax(R), provided that the other party gives its prior approval.

ARTICLE 4
REGULATORY COMPLIANCE AND CLINICAL AFFAIRS

4.1 (a) Lilly will retain the ownership of its Permax(R) NDA (except as set forth in Section 4.1(b)) and shall file all required filings (except for those set forth in Section 4.2). All communications to the FDA relating to Lilly's Permax(R) NDA, except for those set forth below in

Section 4.2, shall come from Lilly. Amarin may if it so desires, apply for its own ANDA and Lilly will provide Amarin authorization to allow the FDA to review information in Lilly's Permax(R) NDA for purposes of approving Amarin's ANDA.

(b) Lilly, upon written notice to Amarin, has the right but not the obligation during the term of this Agreement to assign and transfer to Amarin all of Lilly's rights, title, and interest in and to the United States New Drug Application 19-385, United States Investigational Drug Application [*] (LY127809, Dopamine Agonist), United States Investigational Drug Application [*] (LY127809, Dopamine Agonist in [*] and [*] without [*]), United States Investigational Drug Application [*] (LY127809, Dopamine Agonist in [*] with [*]), and all amendments and supplements to such documents (the "U.S. Permax(R) Regulatory Documents"). Such assignment and transfer will be effective, subject to any prior notice required by law to be given to the Food and Drug Administration ("FDA") by the Parties, forty-five (45) days after Amarin's receipt of Lilly's written notice. Lilly, upon written notice to Amarin, also has the right but not the obligation during the term of this Agreement to assign and transfer to Amarin all of Lilly's rights, title, and interest in and to the U.S. trademark registration 1382020 for the mark Permax(R) (the "Mark"). Such assignment and transfer will be effective, subject to any notice required by law to be given to the United States Patent and Trademark Office ("USPTO") by the Parties, forty-five (45) days after Amarin's receipt of Lilly's written notice. Lilly will be allowed to retain copies of all assigned and transferred documents for its legal records. If Lilly assigns and transfers the U.S. Permax(R) Regulatory Documents to Amarin, Lilly will retain (and/or Amarin will grant Lilly) a paid-up right to reference the U.S. Permax(R) Regulatory

Documents after such assignment and transfer for purposes of obtaining or maintaining its Permax(R) marketing authorizations outside the United States. Within the forty-five (45) days after Lilly's written notice to Amarin that Lilly is exercising either of its rights to assign and transfer hereunder, Lilly and Amarin will negotiate and execute in good faith a written instrument memorializing the assignment(s) so that the assignment(s) may be properly recorded with the FDA and USPTO, as applicable, and shall negotiate in good faith a procedure to coordinate the transfer of information (e.g. adverse event reports) necessary to maintain such transferred item. Lilly shall not charge Amarin for the assignment and transfer of the items described in this Section. If Lilly assigns to Amarin the U.S. Permax(R) Regulatory Documents and/or the Mark, as described above, Amarin agrees to assume full responsibility for the assigned rights and obligations (i.e. legal, financial and otherwise) from the effective date of such transfer, which shall include, without limitation, making all filings, and reports required by to local, state and federal law. Such assignment will not affect Lilly's rights and obligations under the U.S. Regulatory Documents and/or the Mark prior to the effective date of such transfer. If appropriate, the parties will negotiate in good faith a procedure, separate agreement, and/or amendment to this Agreement, necessary or reasonably useful to coordinate the transfer of items and/or information described in this Section.

4.2 (a) To the extent permitted by the FDA, Amarin shall be responsible for (i) reviewing promotional materials and advertising compliance with applicable local, state and federal laws and regulations and (ii) filing in accordance with applicable regulations all promotional materials and advertising with FDA, or other appropriate regulatory bodies, as may be required by FDA or such bodies. Lilly will cooperate with

Amarin to coordinate direct access between FDA (DDMAC) and promotional materials and advertising, to the extent such direct access is permitted by FDA. Amarin shall establish standard operating procedures for internal review of promotional materials and advertising, the current version of which is attached as ATTACHMENT A. Amarin shall comply in all material respects with such procedures during the term of this Agreement. Amarin shall submit all proposed amendments to the procedures in Attachment A to Lilly thirty (30) days prior to implementation. Lilly may review and comment on such amendments and Amarin shall consider such comments in good faith.

(b) Amarin shall submit advance copies of all proposed promotional materials and advertising for Permax(R) for Lilly's review at least thirty (30) days before submission to the FDA. Amarin will discuss with Lilly in good faith any concerns and comments Lilly might have on Amarin's promotional materials and advertising, however, Lilly will have no veto rights over such materials and advertising nor any right to delay or prevent implementation, distribution or use, except as specifically provided in Section 4.2(c), below.

(c) In the event of a regulatory action related to Amarin's promotional activities (including, without limitation, a notice of violation) for Permax(R) (defined as a written notice of an alleged violation of law or regulation, whether titled or not, by a governmental agency) and Lilly will have the option to re-assume the review and approval of all of Amarin's promotional materials and advertising for Permax(R) for compliance with applicable local, state and federal laws and regulations for a period of six (6) months or such shorter time as in Lilly's discretion may be necessary to ensure to Lilly's reasonable satisfaction that compliance will be assured and no further issues

remain. In the event of two (2) or more regulatory actions concerning Amarin's promotional activities for Permax(R), Lilly shall have the right in its discretion to reassume permanently such review and approval responsibilities.

(d) Should Lilly elect to exercise its right of review and approval set forth in subsection (c), it shall discuss such exercise in good faith with Amarin prior to notifying Amarin, in writing, of such exercise and Amarin shall submit all Amarin advertising for Permax(R) for Lilly's review and approval at least thirty (30) days before the date of the intended use. Amarin will not use any such material without Lilly's approval and Lilly agrees to use reasonable efforts to complete its review and respond to Amarin within thirty (30) days of receipt. If Amarin does not receive a response from Lilly within thirty (30) days, Amarin may thereafter send written notice to Lilly that it intends to use such material and Amarin is permitted to use any such material if Amarin does not receive a response from Lilly within ten (10) days of Lilly's receipt of the written notice. At the request of Amarin, Lilly shall discuss with Amarin its reasons for objecting to any item of such written material. Amarin shall provide Lilly a copy of such material immediately prior to use (to allow Lilly to submit it to the FDA).

(e) Notwithstanding any other provision in this Agreement to the contrary, Amarin shall have no right to modify the package inserts or labeling for Permax(R) cartons and containers without the prior written consent of Lilly, not to be unreasonably withheld.

Finally, to the extent Amarin is not permitted to file promotional materials or advertising with the FDA or other appropriate regulatory body, Amarin shall provide Lilly with a copy of such material sufficiently in advance of its use to allow

Lilly to submit it to the FDA or other appropriate body. Lilly agrees that it will file such items with the FDA or other appropriate body as promptly as reasonably possible and, in no event, later than thirty-five (35) days after receipt of same from Amarin. In such instance, Amarin shall abstain from use of such promotional materials or advertising until it receives confirmation that such items have been submitted to the FDA or such other appropriate body. Furthermore, Lilly shall have an annual audit right for all promotional material and/or advertising prepared by Amarin for Permax(R) in order to ensure that (i) Lilly has a copy of all filings and correspondence between Amarin and the FDA with respect to such items; (ii) Amarin has followed its standard operating procedures for internal review of these items in all material respects; and (iii) Amarin has not received a regulatory action related to its promotional activities for Permax(R).

4.3 Each party shall endeavor to provide the other with information necessary to comply with their respective regulatory obligations.

(a) While Lilly is supplying Permax(R) to Amarin under Lilly's NDA, Amarin shall submit to Lilly in a timely fashion or at Lilly's request such information as necessary to allow Lilly to comply with the regulatory requirements applicable to the Permax(R) NDA (e.g., adverse drug experience reporting, annual reporting, filing supplements to NDA). Such information to be provided by Amarin to Lilly shall include, by way of illustration but not limitation, information on Permax(R) from any studies, as well as adverse drug experience reports from clinical trials and marketed commercial experience with Permax(R).

(b) During the term of this Agreement, Lilly shall provide to Amarin on a semi-annual basis, for informational purposes only, copies of significant communications with any governmental agency throughout the world concerning Permax(R) that may have an impact

on the distribution and sale of Permax(R) in the Territory, including but not limited to communications relating to the issues that could be reportable to the FDA. Lilly shall be allowed to exclude confidential or proprietary information which has not been licensed to Amarin.

(c) During the term of this Agreement, Lilly shall promptly notify Amarin if any regulatory action may impact Lilly's supply obligations under this Agreement. Notwithstanding the above, Lilly shall be allowed to exclude confidential or proprietary information which has not been licensed to Amarin.

(d) If reasonably practicable, Lilly shall consult with Amarin prior to any communication with the FDA concerning any information described in Sections 4.3 (a)-(c) above.

(e) During the term of this Agreement, each party shall provide the other with copies of significant communications with any governmental agency in the Territory concerning Permax(R) that may have an impact on the distribution and sale of Permax(R) in the Territory, including but not limited to communications relating to issues that could be reportable to the FDA as well as all filings with the FDA. Such communications shall be provided to the other party contemporaneously or, at the very latest, within fifteen (15) days of filing with or receipt of same from the governmental agency. Either party shall be allowed to exclude confidential or proprietary information which has not been licensed to the other.

(f) During the term of this Agreement, Amarin shall promptly notify Lilly of any regulatory action related to Amarin's promotional activities for Permax(R).

4.4 Specific details regarding the management of adverse event information for Permax(R) will be delineated in a separate document. The pharmacovigilance representatives of the parties will develop within thirty (30) days of the Effective Date a document that identifies which safety information, if any, that will be exchanged; when this information will be exchanged; which party has regulatory reporting responsibilities; who will manage the global safety database; who obtains follow-up information on incomplete safety reports; who reviews the literature for safety report information; who prepares any required periodic safety updates; and the identification of any other details required to appropriately manage safety information for Permax(R). It is understood and agreed that unless and until the NDA for Permax is transferred to Amarin, Lilly, as holder of the NDA, will have the responsibility for reporting adverse events to FDA and otherwise complying with 21 C.F.R. Section 314.80.

4.5 Each party will have the right to conduct its own clinical trials related to Permax(R) in the Territory with the other party's prior consent and approval, which shall not be unreasonably withheld. The party proposing to conduct the clinical trial shall be responsible for updating the Clinical Investigator's Brochure ("CIB") and shall submit the updated CIB to the other party for approval, which shall not be unreasonably withheld, prior to sending it to proposed investigators.

4.6 Each party shall keep the other apprised of the status and results of clinical trials involving pergolide that are conducted by or on behalf of each party, its Affiliates and sublicensees, as the case may be, within or outside of the Territory. The party conducting the trial shall be responsible for making all required reports to the FDA. If Amarin wishes to conduct a clinical trial prior to obtaining its ANDA, the parties shall, prior to commencement of the clinical trial, agree on an acceptable arrangement for submitting reports to the FDA.

4.7 In the event (i) any government authority issues a request, directive or order that Permax(R) be recalled, (ii) a court of competent jurisdiction orders that Permax(R) be recalled or (iii) Lilly or Amarin reasonably determine, after mutual consultation, that Permax(R) should be recalled, the parties shall take all appropriate corrective actions. In the event such recall results from the breach of Lilly's obligations or warranties under this Agreement or other fault of Lilly, Lilly shall be responsible for the expenses of the recall. In the event such recall results from the breach of Amarin's obligations or warranties under this Agreement, the sale or marketing of Permax in the Territory by Amarin or its permitted sublicensees after the Effective Date of this Agreement, or other fault of Amarin, Amarin shall be responsible for the expenses of the recall. For purposes of this Agreement, the expenses of recall shall be the expenses of notification and return or destruction of the recalled Permax(R), the costs of Permax(R) recalled and any costs directly associated with the distribution of replacement Permax(R). Lilly and Amarin shall cooperate fully with one another in conducting any recall.

ARTICLE 5
MANUFACTURE AND SUPPLY OF PERMAX(R)

5.1 Lilly will manufacture, package and label for Amarin and Amarin will purchase from Lilly, except as provided in Sections 5.3, 14.5 and 14.6, all of Amarin's requirements for Permax(R) through April 1, 2008, including Bulk Substance and Packs. The parties will agree to the appropriate labeling and trade dress for Permax(R) that recognizes the house-style of Amarin and the respective responsibilities of the parties and such labeling and trade dress shall be implemented as soon as all applicable regulatory requirements have been met with respect to such labeling and trade dress. Lilly will not be required to re-label or modify the trade dress of any of the Permax(R) product. The parties contemplate that Amarin's name shall appear as the exclusive distributor of Permax(R) in the Territory and Lilly shall appear as the manufacturer of Permax(R).

5.2 Subject to Sections 5.3, 14.5 and 14.6, Lilly will supply finished, packaged and labeled Packs to Amarin in the quantities of the various dosage forms requested by Amarin and meeting the Specifications applicable at the time of manufacture. The determination of whether a given lot of Permax(R) meets the Specifications and can be released by Lilly to Amarin will be made solely by Lilly. Lilly will manufacture Permax(R) supplied to Amarin hereunder at a site meeting FDA current Good Manufacturing Practices ("cGMP"). Subject to Section 7, Lilly shall use reasonable efforts to ensure that sufficient stock of Permax(R) will be available in its inventory to promptly fill Amarin's orders and that it will have a cGMP manufacturing facility which can produce amounts of Permax(R) during the term of this Agreement to meet Amarin's requirements for sales of Permax(R).

5.3 In the event Lilly decides to subcontract the right to Formulate Bulk Substance or Package Bulk Tablets to a third party, Amarin shall have the right but not the obligation to acquire Bulk Substance or Bulk Tablets from Lilly so that Amarin or a subcontractor to Amarin can complete the Formulation and/or Packaging for Amarin's requirements for Permax(R), provided that applicable regulatory requirements permit Amarin or its subcontractors to do the Formulation and/or Packaging. Amarin desires to exercise its right to Formulate or Package Permax(R), Amarin shall notify Lilly of such determination within ninety (90) days of the date Amarin receives notice from Lilly expressing Lilly's desire to subcontract such right.

5.4 Provided Amarin has the right under Section 5.3 to Formulate and/or Package, Lilly shall assist and transfer to Amarin or its subcontractor all Know-How and licenses necessary to allow Amarin or its subcontractor to Formulate and/or Package. Once Amarin assumes the Formulating and/or the Packaging, Lilly shall be relieved of its obligations under this Agreement related to such activities.

5.5 If Amarin exercises its right to Formulate and/or Package under Section 5.3, Lilly agrees to grant Amarin reasonable wastage allowances comparable to Lilly's experience in its Formulation and Packaging activities related to Permax(R). In addition, Lilly shall supply such quantities of Bulk Substance and/or Bulk Tablets as reasonable required to initiate Amarin's Formulation and Packaging activities, including initial runs and stability needs, at a price not to exceed one-third (1/3) of the applicable Supply Price that would then be in effect assuming that Section 6.1(b) is never applicable, provided such material supplied hereunder will not be sold by Amarin.

ARTICLE 6
COSTS OF PRODUCT

6.1 Amarin shall pay Lilly for the supply of Permax(R) as follows:

(a) The initial Supply Price per Pack presentation, Bulk Tablet, Bulk Substance as of the Effective Date shall be as follows:

$[*] per Pack containing 30 Permax(R) tablets of 0.05 mg strength

($[*]per 1000 tablets for 0.05 mg strength Bulk Tablets)

$[*] per Pack containing 30 Permax(R) tablets of 0.25 mg strength

($[*]per 1000 tablets 0.25 mg strength Bulk Tablets)

$[*] per Pack containing 100 Permax(R) tablets of 0.25 mg strength

($[*]per 1000 tablets for 0.25 mg strength Bulk Tablets)

$[*] per Pack containing 100 Permax(R) tablets of 1.0 mg strength

($[*]per 1000 tablets for 1.00 mg strength Bulk Tablets)

$[*] per gram of Bulk Substance

The Supply Price for any Pack containing a different tablet number or strength shall be agreed upon by Lilly and Amarin generally in a manner consistent with that used to establish the initial Supply Prices above.

(b) Beginning May 1, 2002, and every anniversary thereafter, the Supply Price set forth in Section 6.1(a) shall be increased in percentage terms by the greater of (i) two thirds (2/3) of the percentage change in [*]or (ii) one third (1/3) of the percentage change in the [*], that has been experienced or reported in the preceding twelve (12) month period ending March 31st. For purposes of the first increase, the parties shall utilize Elan's Net Wholesale Price for any portion of the twelve-month period ending March 31, 2002 in which Elan was the distributor of Permax in the Territory.

(c) If any law or regulation becomes effective after the Effective Date, or if Amarin encounters generic competition (other than from an Affiliate of Amarin or any other Amarin partner in the area of adjunctive therapy or monotherapy for the treatment of Parkinson's disease), which significantly restricts or lowers Amarin's [*] of Permax(R) and Amarin determines that its Margin has fallen below [*] percent ([*]%), Amarin will notify Lilly of such determination and Amarin shall allow Lilly or Lilly's independent auditors access to such financial records of Amarin's Margin determination. Within sixty (60) days of such notice, Amarin and Lilly will agree to an adjustment to the future Supply Price for Permax(R) or such other rebates or allowances so that Amarin

and Lilly share proportionally in the reduction of their respective Margins; provided, however, that in no event will the Supply Price be reduced below [*] percent ([*]%) of the Supply Price on the Effective Date of the Third Amendment, increased by any appropriate factor equivalent to the increase in the [*] (with August, 1997 as the baseline measurement date (i.e. 2.2)) from that Effective Date, to the extent this Section 6.1(c) is triggered by Amarin. Notwithstanding the above, in the event Amarin in its reasonable business judgment recommends to Lilly that Amarin's Net Wholesale Price be voluntarily reduced due to competitive or other market circumstances, Lilly agrees to negotiate in good faith a reduction in Supply Price.

(d) Notwithstanding the foregoing, the Supply Price for Permax shall remain at the Supply Price in effect as of September 30, 200[*] until Amarin's Margin is improved by [*]% over Elan's Margin as of September 30, 200[*] (i.e. when Amarin's Margin increases to [*]%). Thereafter, Supply Price adjustments shall be determined by Section 6.1(b) and (c), without retroactive adjustment to account for the time period between October 1, 200[*] and the date the Margin improvement described above occurs.

6.2 Payments shall be made by Amarin to Lilly in United States dollars on a shipment-by-shipment basis based on Lilly's invoice. So long as the Guaranty between Lilly and Elan is effective, payments shall be made on a net 60-day basis after the date of invoice, which date shall be no earlier than the requested date of delivery. After the expiration or earlier termination of the Guaranty, Amarin acknowledges that Lilly will establish a credit line for Amarin to facilitate its purchases of Permax(R) and that Lilly may periodically review and adjust this credit line as it deems appropriate, in accordance with Lilly's credit approval

guidelines then in place for customers of equivalent size, history, creditworthiness and purchase volume, and any other reasonable factors typically taken into account by Lilly under such guidelines . In consideration for providing this credit line, Amarin agrees to provide Lilly, upon request, the financial information reasonably necessary for Lilly to perform credit reviews; provided, however, that if Amarin does not provide such information, or if Lilly's analysis of that information does not meet Lilly's standard credit approval guidelines, then Lilly will have the right to require a letter of credit (containing terms and conditions reasonably acceptable to Lilly) drawn on an internationally recognized bank in advance of shipment. Lilly also reserves the right to ask for cash in advance of shipment should Amarin experience a condition of insolvency, or if notice of intent to terminate has been issued pursuant to Section 14. All payments will be made by means of an electronic funds transfer, as reasonably requested by Lilly to an account designated by Lilly, except as provided in the prior paragraph.

6.3 Amarin will pay all sales, use, property or similar taxes relating to Amarin's sales of Permax(R) in the Territory and shall pay all sales, use, property or similar taxes relating to sales of Permax(R) by Lilly to Amarin hereunder. Lilly shall pay all sales, use, property of similar taxes relating to its sale of Permax outside of the Territory. Amarin will be responsible for the payment of any deductions from gross sales to calculate Net Sales.

6.4 Lilly will provide Bulk Tablets to Amarin for Samples at a price equal to [*] ([*]) of the Supply Price that would then be in effect for Bulk Tablets assuming that Section 6.1(c) is never applicable. If Amarin requests Lilly to Package

Samples (or if Amarin is unable to comply with all applicable regulatory requirements to allow Lilly to ship Bulk Tablets to Amarin), Lilly will supply packaged Samples to Amarin at a price equal to [*] ([*]) of the Supply Price that would then be in effect for Permax(R) assuming that Section 6.1(c) is never applicable. In addition to the Supply Pricing for Samples described above, Lilly shall include a reasonable, mutually agreed up-charge for packaging Samples in multi-container packaging, which the parties may change from time to time by mutual agreement.

6.5 Lilly will from the Effective Date provide Amarin with reasonable quantities of Permax(R) for distribution by Amarin pursuant to the Programs; provided that such quantities of the 1 mg tablets do not exceed [*] percent ([*] %) of Amarin's sales of such tablets in any given calendar year. Amarin will separately account for all strengths and quantities of Permax(R) distributed under the Programs. Amarin's cost for Permax(R) distributed through the Programs shall be [*] ([*]) of the then-current Supply Price for Bulk Tablets or Pack presentation, as the case may be, of the same strength. The quantities of Permax(R) purchased by Amarin for the Programs shall be separately accounted for by Amarin at the prices provided for in the previous sentence and aggregated for each calendar quarter in which Program shipments occur (the "Program Credit"). Program Credit amounts shall be identified as such and applied by Amarin as a credit against open invoices in any successive quarter, on an ongoing basis, until all outstanding Program Credits are exhausted.

Lilly and Amarin shall each have the right to inspect the other's records pertaining to shipments, invoices and payments under the Programs for the purpose of verifying compliance with this Section 6.5. Such inspections may occur at reasonable times during normal business hours, upon advance written request, but no more frequently than once per calendar quarter. Any errors in

calculation of applicable prices and payments for Program shipments shall be promptly corrected by payment from the appropriate party.

6.6 Payments due and unpaid under this Agreement shall bear interest from the date payment is due at an interest rate equal to two percent (2%) above the average prime rate for the thirty (30) days prior to the date payment is due and as reported in the Money Rates section of the Wall Street Journal, or similar reputable source, calculated daily on the basis of a three-hundred sixty (360) day year.

ARTICLE 7
ORDERING PROCEDURE

7.1 Within thirty (30) days after the Effective Date, Amarin will provide Lilly with a non-binding five-year forecast of its projected requirements per Pack strength during each Year. Thereafter, Amarin shall provide a rolling five-year forecast to Lilly by October 31st of each Year.

7.2 Commencing ninety (90) days prior to the commencement of the second full calendar quarter after the Effective Date, and ninety (90) days prior to the beginning of each calendar quarter thereafter, Amarin shall provide Lilly with a written forecast of its estimated purchase requirements per Pack strength (or for Bulk Substance or Bulk Tablets, as the case may be) for each quarter in the ensuing 24-month period. Each first quarter projection in such 24-month forecast shall be that quarter's "Purchase Requirement". The Purchase Requirement for the first partial and the first full calendar quarter shall be based upon the last 24-month forecast submitted to Lilly by Amarin or Elan prior to the Effective Date. Amarin's orders and purchases and Lilly's obligations to supply Permax(R) shall be subject to the following:

(a) Each quarter Amarin must purchase at least ninety percent (90%) of that quarter's Purchase Requirements.

(b) Lilly shall not be obligated to supply in any quarter more than one-hundred twenty percent (120%) of that quarter's Purchase Requirement.

(c) Actual orders are to be issued by Amarin to Lilly at least ninety (90) days in advance of requested delivery dates.

(d) Lilly agrees to maintain in inventory a supply of Permax(R) (either in Bulk Substance, Bulk Tablets or finished product) equal to the lesser of ten (10) kg of Bulk Material or an amount sufficient to meet Amarin's forecast for the two (2) quarters following the most recent quarter, except to the extent the forecast for such quarters significantly exceeds prior forecasts. In addition, Lilly also agrees to maintain in inventory for the Territory an amount equal to the lesser of ten (10) kg of Bulk Substance or an amount sufficient to meet Amarin's forecast for the two (2) quarters following the most recent quarter in inventory for the Territory. The maintenance of the foregoing inventory levels shall not be required during the period between the time Lilly depletes its existing Permax(R) inventory and the time Lilly restocks its inventory with Permax(R) with Amarin's labeling and trade dress.

On a calendar quarter basis, Lilly shall report to Amarin the total inventory of Permax(R) held in inventory for the Territory, including Bulk Substance and Bulk Tablets.

7.3 Lilly will ship the product to Amarin in accordance with Amarin's reasonable shipping instructions. All shipments will be on an FOB Lilly's U.S. production facility/distribution center basis. Amarin will pay all costs associated

with shipping (transportation, insurance, taxes, tariffs, etc.). Title and risk of loss shall pass to Amarin upon delivery to the carrier.

7.4 Amarin will examine and inspect the product within sixty (60) days of receipt. Any claims by Amarin for refunds or returns for defective product must be raised within the inspection period. Lilly's obligation to Amarin for defective product will be limited to replacing defective product with conforming product. In no event will Lilly's liability to Amarin exceed the Supply Price for such product.

ARTICLE 8
CONFIDENTIALITY

8.1 Each party shall use all reasonable efforts to prevent the disclosure of any Know-How, Improvements or any other information disclosed to it by the other party under this Agreement without the other party's prior written consent. Neither party shall use such information for its own benefit or for the benefit of third parties except for the purpose of performing its rights and obligations under the Agreement, without the other party's prior written consent.

8.2 This restriction shall not apply to any information which the disclosing or using party can establish:

(a) is, at the time of use or disclosure, in the public domain without fault of the disclosing or using party;

(b) was in its possession at the time of receipt and was not acquired, directly or indirectly, from the other party or an Affiliate subject to confidentiality relative to the disclosed information;

(c) was obtained from a third party without restriction as to use or disclosure, provided, however, that such information was not

obtained by such third party, directly or indirectly, from the disclosing or using party; and

(d) has been developed independently of information received from the other party.

8.3 Nothing in this Section 8 shall prevent the disclosure of information (i) to those proper governmental agencies or others as part of an initial submission or to the extent required by law or governmental regulation; and/or (ii) to consultants, subcontractors and others who have signed an agreement not to use such information and to keep the information confidential no less restrictive than as set forth herein.

8.4 The obligations in this Section 8 shall survive the Agreement for five (5) years as and from the date of termination or expiration of the entire Agreement.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES; CERTAIN COVENANTS

9.1 Lilly warrants that it has the right to grant Amarin the licenses set forth in this Agreement, except as limited by Athena's or Elan's rights in the Mark or Permax(R). Lilly warrants that there is no impediment to Lilly's granting such licenses or entering into this Agreement, except as limited by Athena's or Elan's rights in the Mark or Permax(R). Furthermore, Lilly represents and warrants to Amarin that:

(a) there is no other patent or other proprietary technology other than the Know-How, Patent Rights and the Mark licensed to Amarin hereunder for which a license would be required for the manufacture, promotion, distribution and sale by Amarin of Permax(R) as contemplated by this Agreement;

(b) Lilly has not granted rights or licenses in derogation of this Agreement and the Agreement will not be in conflict with any other material existing agreements to which it is a party;

(c) it knows of no patent or trade secret rights which are owned by a third party which would be infringed by the practice of the Patent Rights to manufacture, promote, distribute and sell Permax(R) in the Territory;

(d) EXHIBIT A contains a complete and accurate listing, with dates of filing and dates of issuance, of the Patent Rights;

(e) Lilly has not received any communication, and is not aware that any party had made claim, which challenges or is inconsistent with any of the statements contained in this Section 9.1;

(f) Lilly is the sole owner of the entire right, title and interest in and to the Patent Rights listed on EXHIBIT A hereto and the inventors named in the Patent Rights listed in EXHIBIT A have assigned such Patent Rights to Lilly.

9.2 Lilly agrees that it shall not enter into any other agreements that conflict with rights or obligations provided hereunder, including any rights and obligations that survive termination hereof.

9.3 Lilly covenants that for so long as Amarin has a license to use the Mark under Section 2.2 and thereafter if the Mark is assigned to Amarin, neither Lilly nor Lilly's Affiliates will use the Mark or any trademark, trade name or service mark confusingly similar to the Mark within the Territory.

9.4 Lilly warrants that its manufacture and quality assurance of Permax(R) will comply to the Specifications and cGMP requirements applicable at the time of manufacture. Prior to Amarin obtaining its ANDA, Lilly will not make any changes in the Specifications that will affect Permax(R) to be supplied by Lilly to Amarin without Amarin's consent, which consent shall not be unreasonably withheld. After Amarin obtains its ANDA, Amarin will not make any changes in the Specifications that will affect Lilly's manufacture or Permax(R) for Amarin without Lilly's consent, which consent shall not be unreasonably withheld.

9.5 Lilly warrants that the products comprising each shipment or other delivery made by Lilly to Amarin, as of the date of such shipment or delivery, shall be neither misbranded, nor adulterated within the meaning of the Federal Food, Drug and Cosmetic Act, or introduced in interstate commerce in violation of Section 505 (New Drug Provisions) of the Act as a result of Lilly's actions.

9.6 Amarin represents and warrants to Lilly that it will comply with the requirements of the Prescription Drug Marketing Act of 1987 (PDMA) and any regulations promulgated thereunder. Amarin will comply with written procedures developed by Amarin. Amarin will forward to Lilly copies of any notices sent to governmental agencies under the PDMA. Amarin will provide Lilly with copies of all records required to be maintained under the PDMA on a periodic basis upon request. Lilly will have the right, upon prior notice and at a mutually convenient time, to conduct periodic audits of Amarin's records, procedures and facilities to ensure compliance with the PDMA. Amarin will defend and indemnify Lilly from and against any claims, actions or liability arising under the PDMA as a result of Amarin's distribution of Permax(R) samples.

9.7 Lilly and Amarin both represent and certify to the other that they are not debarred and that they have not and will not use in any capacity the services of any person who has been debarred under subsections 306(a) or (b) of the Generic Drug Enforcement Act of 1992 at the time such services are performed.

9.8 Amarin represents, warrants and covenants to Lilly that:

(a) it has not entered into a material agreement that would conflict with any of its obligations under this Agreement and Amarin agrees that it shall not enter into any other agreements that conflict with rights and obligations provided hereunder, including any rights and obligation that survive termination hereof;

(b) it had reasonable access to all information regarding Permax(R) as deemed necessary by Amarin; and

(c) it shall comply with all applicable local, state and federal laws and regulations applicable to its activities related to Permax(R).

ARTICLE 10
INDEMNIFICATION AND INSURANCE

10.1 Amarin shall indemnify and hold Lilly, its officers, directors, employees and agents harmless from and against any and all liabilities, claims, suits, damages, losses, costs or expenses (including reasonable attorneys' fees) (collectively "Claims") incurred by or rendered against Lilly, its officers, directors, employees and agents to the extent such Claims are caused by (or are alleged to have been caused by) Amarin's: (i) negligence, gross negligence, recklessness or willful misconduct, (ii) manufacturing, packaging, testing, use, labeling, storage, handling, promotion, distribution and sale of Permax, (iii) breach of any representations, warranty, or covenant under this Agreement, or (iv) actions in connection with any aspect of Amarin's marketing activity for Permax(R) (including activity with any third party) (collectively, "Amarin Activities"). Such indemnification shall not apply to the extent that such Claims are caused by (or are alleged to have been caused by) Lilly's: (i) negligence, gross negligence,

recklessness or willful misconduct, (ii) manufacturing, packaging, testing, use, labeling, storage, handling, promotion, distribution and sale of Permax(R) outside the Territory or prior to the date of execution of this Agreement within the Territory or prior to the date of execution of this Agreement within the Territory, or (iii) breach of any representations, warranty or covenant under this Agreement (collectively, "Lilly Activities").

10.2 Lilly shall indemnify and hold Amarin, its officers, directors, employees and agents harmless from and against any and all Claims incurred by or rendered against Amarin, its officers, directors, employees and agents to the extent such Claims are caused by Lilly Activities. Such indemnification shall not apply to the extent that such Claims are caused by (or alleged to have been caused by) Amarin Activities.

10.3 Lilly shall promptly notify Amarin of any Claim brought against Lilly for which Lilly seeks indemnification and shall permit Amarin, at Amarin's cost and expense, to respond to and control the defense of such Claim. Lilly shall have the right to participate in any defense to the extent that in its judgment, Lilly will be prejudiced thereby. In any Claim in which Lilly seeks indemnification by Amarin, Lilly shall not settle, offer to settle or admit liability or damages in any such Claim without the consent of Amarin, which consent shall not be unreasonably withheld.

10.4 Should Amarin seek indemnification from Lilly, Section 10.3 shall apply reciprocally.

10.5 Each party shall maintain levels of product liability insurance coverage consistent with general industry standards with respect to its activities as contemplated by this Agreement. Notwithstanding the foregoing, Lilly may choose to self-insure and Amarin may self-insure with Lilly's consent, which will not be unreasonably withheld.

10.6 In the event of a regulatory action or a private action in connection with any aspect of Amarin's marketing activity for Permax(R) (including activity with any third party), Amarin will, in addition to the indemnification obligations set forth in Section 10.1, above, do the following: (i) act in full cooperating with Lilly to resolve the action in an expeditious manner; and (ii) reimburse Lilly for any reasonable internal costs incurred by Lilly in defending, negotiating or settling the situation with the appropriate government body or private party. Lilly shall not settle any regulatory or private action without Amarin's prior written consent, not to be unreasonably withheld.

10.7 The obligations in this Section 10 shall survive termination of this Agreement.

ARTICLE 11
IMPROVEMENTS

11.1 Improvements made by either party and/or its Affiliates or sublicenses shall be the property of the party making such Improvements. Both parties will cooperate as reasonably necessary to perfect title to such Improvements in the name of the party entitled to same. Each party shall promptly disclose to the other party the general nature of any Improvements made by it, its Affiliates and/or sublicensees along with sufficient detail to enable the other to reach a decision as to whether it desires to commercially develop such Improvements itself or share the costs of such development based on the relative value of the Improvements. The parties agree to negotiate in good faith a separate agreement relating to such development and granting licenses to the other party as set forth in Section 11.2. No party may initiate any clinical studies on indications for Permax(R) other than for the management of the signs and symptoms of Parkinson's disease as described in Section 4.5 without the other party's written consent, which shall not be unreasonably withheld.

11.2 To the extent Lilly is legally free to do so, the separate development agreement shall grant Amarin a sole license, with a right of sublicense, free of charge in the Territory to make, use and exclusively sell such Improvements, as appropriate, pursuant to the terms of this Agreement, except for Lilly's right to manufacture and distribute such Improvement for its sales to Amarin and its own sales outside the Territory. To the extent Amarin is legally free to do so, the separate development agreement shall grant Lilly an exclusive license, with right of sublicense, free of charge to make, use and sell outside the Territory any Improvements made by Amarin, its Affiliates and/or sublicensees hereunder for use only with products containing pergolide.

11.3 After expiration of this Agreement, other than pursuant to Section 14.2 with respect to Improvements made by Lilly or Section 14.3 with respect to Improvements made by the terminating party, either party shall be entitled to continue to use and/or develop Improvements made by the other party as provided in the separate development agreement.

ARTICLE 12
PATENTS AND TRADEMARK INFRINGEMENT

Amarin shall advise Lilly promptly upon Amarin's becoming aware of any infringement by a third party of the Patent Rights or the Mark. Lilly shall advise Amarin promptly upon Lilly's becoming aware of any infringement by a third party of the Patent Rights or the Mark in the Territory. If warranted in the opinion of Lilly, Lilly shall promptly take such legal action as Lilly deems appropriate to restrain such infringement. Amarin may be represented by counsel or professional advisors of its own selection at its own expense in any suit or proceeding brought to restrain such infringement, but Lilly shall have the right to control the suit or proceeding brought by Lilly. In the event Lilly chooses not to take legal action to restrain any infringement, it will promptly inform Amarin of its

decision not to do so, in which event Amarin shall have the right, at Amarin's expense, to control any suit or proceeding brought to restrain such infringement. Each party will cooperate fully with the other in any attempt to restrain an infringement. Any recovery from a suit or proceeding brought to restrain infringement in the Territory shall be shared first in proportion to the costs reasonably incurred by each party in bringing such action or proceeding and in cooperating in any such action or proceeding, and then once such costs are paid, shall be shared forty percent (40%) by Lilly and sixty percent (60%) by Amarin.

ARTICLE 13
FORCE MAJEURE

Neither party shall be responsible to the other for any failure or delay in performing any of its obligations under this Agreement or for other non-performance hereof (except for obligations to make payments), provided that such delay or non-performance is occasioned by a cause beyond the reasonable control and without fault or negligence of such party, including, but not limited to act of God, fire, flood, explosion, sabotage, riot, or accident; delays by suppliers of fuel, power, raw materials, containers, or transportation; breakage or failure of machinery or equipment, strikes or labor trouble; or court order or governmental restriction or interference, and provided that such party promptly informs the other party and that it will again commence to perform its obligations as soon as possible after the relevant cause has ceased its effect.

ARTICLE 14
TERM AND TERMINATION

14.1 This Agreement shall become effective on the Effective Date. Unless extended in writing on mutually agreeable terms and conditions, this Agreement will expire on April 1, 2008.

14.2 Notwithstanding the foregoing, Amarin may terminate this Agreement at any time upon ninety (90) days notice to Lilly, provided that upon the effective date of such termination, Amarin shall immediately cease all use, promotion, marketing and sales of Permax(R) and shall immediately assign to Lilly Amarin's ANDA and any other regulatory approvals applicable to Permax(R) or Improvements. Notwithstanding the foregoing, in the event of the termination of this Agreement by Amarin under this Section 14.2, Amarin shall promptly purchase from Lilly all inventory held by Lilly with Amarin's labeling and trade dress and Amarin shall promptly make an accounting to Lilly of Permax(R) as of the date of such termination and Amarin shall have the right to promote, market and sell its stock for a reasonable period after the date of such termination sufficient to sell all inventory, provided, Lilly or a third party designated by Lilly shall have the right to repurchase the inventory at the Supply Price charged to Amarin for such inventory.

14.3 Either party may terminate this Agreement immediately by written notice of termination to the other in the event:

(a) the other party (the "Breaching Party") shall commit a material breach of any of the provisions of this Agreement and shall not, within forty-five (45) days (fifteen (15) days for payments that are past due) of request or written notice of breach by the non-breaching party remedy such breach. The right of either party to take this action with respect to breach shall not be affected in any way by its waiver of or failure to take any action with respect to any previous breach.

(b) The other party (the "Troubled Party") becomes generally unable to pay its debts when due or makes an assignment for the benefit of creditors, has instituted on its behalf or against it proceedings in voluntary or involuntary bankruptcy (and fails to aggressively

defend such involuntary bankruptcy proceeding within ninety (90) days), or is dissolved, wound up or confiscated, sequestered or in any other way transferred into state ownership, or has a receiver or trustee of its property appointed, provided the non-Troubled Party gives ten (10) days written notice to the Troubled Party.

14.4 Except as specifically provided in this Agreement, in the event this Agreement is terminated under Sections 14.2, 14.3 or 14.4, all licenses and rights granted hereunder to the terminating, Breaching or Troubled Party, as the case may be, including without limitation any licenses and rights to Improvements, shall revert to the granting party and all confidential information and documents containing Know-How held by the other, terminating, Breaching or Troubled Party shall be returned to the granting party upon its request, except that one (1) copy of each document may be retained in legal files for record purposes. In addition, if Amarin is the Breaching or Troubled Party, Amarin shall immediately, upon such termination, assign to Lilly Amarin's ANDA and any other regulatory approvals applicable to Permax(R) or Improvements.

14.5 Lilly may terminate its manufacturing and supply obligations under this Agreement for any reason at any time upon three (3) years prior notice to Amarin. Upon such notice of termination, Lilly shall grant to Amarin a sole license to exclusively manufacture Permax(R) in the Territory, with the right to sublicense, under the Patent Rights and Know-How, except for Lilly's right to manufacture Permax(R) for its sales outside the Territory. Within eighteen (18) months of such termination, Lilly shall provide to Amarin all Know-How reasonably necessary or desirable for the efficient manufacture of Permax(R) provided that sales of Permax(R) manufactured by Amarin shall not commence before such termination without the prior written consent of Lilly.

14.6 No later than three (3) years prior to expiration of this Agreement the parties shall negotiate in good faith for the terms of a new agreement for the

continued and uninterrupted supply of Permax(R) for Amarin by Lilly. In the event the parties are unable to agree on the terms for such supply of Permax(R) after six (6) months of negotiation, or longer if agreed by Amarin and Lilly, then in that event Lilly shall, upon expiration of this Agreement, grant to Amarin a sole license to exclusively manufacture Permax(R) in the Territory, with the right to sublicense, under the Patent Rights and Know-How, except for Lilly's right to manufacture Permax(R) for its sales outside the Territory. Within eighteen (18) months of the expiration of this Agreement, Lilly shall provide to Amarin all Know-How reasonably necessary or desirable for the efficient manufacture of Permax(R) provided that sales of Permax(R) manufactured by Amarin shall not commence before the expiration of this Agreement without the prior written consent of Lilly.

14.7 Lilly agrees to treat Amarin or an Amarin subcontractor as if Amarin or the Amarin subcontractor were a Lilly manufacturing facility for purposes of transferring licenses and Know-How pursuant to Sections 14.5, 14.6 and 15(b).

14.8 Upon the termination of this Agreement for any reason each provision which is specified to continue beyond such termination shall continue in force and effect to the extent necessary to effectuate its purpose.

ARTICLE 15
LIABILITY

Notwithstanding anything else to the contrary contained in this Agreement:

(a) Should Amarin fail to comply with its obligations set forth in Section 3.7, Lilly's sole remedy, after ninety (90) days written notice to Amarin, should Amarin continue to fail to comply with such obligations, shall be to convert the exclusive licenses granted according to Section 2.1 into non-exclusive licenses.

(b) In the event Lilly should commit a material breach of its obligation to supply Amarin's requirements of Permax(R) in accordance with Section 5 and 6.4 hereof and fails to cure such breach during the period as set forth in Section 14.3(a), Lilly shall grant to Amarin a license to manufacture Permax(R) in the Territory, under the Patent Rights and Know-How, except for Lilly's right to manufacture Permax for its sales outside the Territory. Lilly shall promptly deliver to Amarin all Know-How necessary or desirable for Amarin to manufacture or subcontract the manufacture of Permax(R) and shall cooperate and assist Amarin in the transfer or use of any License, registrations or information reasonably required by Amarin to permit Amarin to manufacture Permax(R).

ARTICLE 16
ASSIGNMENT; SUBCONTRACTING

16.1 Assignment. Except as provided in Section 16.2, neither party may assign its rights or obligations under this Agreement (other than to Affiliates) without prior written authorization from the other party, except that an assignment may be made to a third party acquiring all or substantially all of the business of Lilly or Amarin, as the case may be, or entering into a merger with Lilly or Amarin, as the case may be.

16.2 Notwithstanding the foregoing, Lilly may subcontract or assign, in whole or in part, its obligations to manufacture Permax(R) for Amarin hereunder to a third-party, provided that such third-party manufacturer agrees to (i) not use Permax(R) manufacturing Know-How or other information provided by Lilly relating to Permax(R) other than for the supply of Permax(R) to Amarin or Lilly; and (ii) such agreement does nor relieve Lilly of its obligations under this Agreement.

ARTICLE 17
MISCELLANEOUS

17.1 Limitation of Liability. Neither party shall be liable to the other party for indirect, incidental or consequential damages. Nothing in this Section 17.1 is intended to limit or restrict the rights or obligations of Amarin or Lilly under Section 10.

17.2 Validity. Should one or several provisions of this Agreement be or become invalid, then the parties hereto shall substitute such invalid provisions by valid ones, which in their economic effect come so close to the invalid provisions that it can be reasonably assumed that the parties would have contracted this Agreement with those new provisions. In case such provisions cannot be found, the invalidity of one of several provisions of the Agreement shall not affect the validity of the Agreement as a whole, unless the invalid provisions are of such essential importance for this Agreement that it is to be reasonably assumed that the parties would not have contracted this Agreement without the invalid provisions.

17.3 Applicable Law. This Agreement shall be construed and the rights of the parties determined in accordance with the substantive laws of the State of Delaware, without regard to Delaware choice of law provisions.

17.4 Notice. All notices which are required or may be given pursuant to this Agreement shall be sufficient upon receipt, if given in writing and delivered by hand, by electronic media or by registered or certified mail, postage prepaid and addressed as follows:

If to Lilly, to

Vice President, Manufacturing
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285

With a copy to	General Counsel Eli Lilly and Company Lilly Corporate Center Indianapolis, IN 46285
If to Amarin	Vice-President, Commercial Development Amarin Corporation, plc Two Belvedere Place, Suite 330 Mill Valley, CA 94941
With a copy to	General Counsel & Secretary Amarin Corporation, plc 7 Curzon Street London W1J 5HG UK

The address of either party set forth above may be changed from time to time by written notice in the manner described herein from the party requesting the change. All payments due under this Agreement shall be payable in United States dollars at the addresses listed in this Section 17.4 or such other address as set forth in Lilly's invoice to Amarin.

17.5 Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. No amendment or alteration of this Agreement shall be valid unless agreed upon by both parties in writing. The Exhibits to this Agreement shall be considered an integral part hereof.

17.6 Waiver. The waiver by either party hereto of any right hereunder of the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature otherwise.

17.7 Obligations. Termination of this Agreement shall not affect obligations accrued prior to termination.

17.8 Performance by Affiliates. Any party hereto may satisfy any of its obligations hereunder through any of its Affiliates, provided, however, that each party guarantees the performance at all times of any such party's obligations so delegated pursuant to this section.

17.9 Effect of this Amended and Restated License and Supply Agreement. This Agreement amends and restates the Elan License Agreement. By its effect and upon execution hereof by the parties, this Agreement shall supersede the Elan License Agreement, and the Elan License Agreement shall have no further force or effect as between the parties.

17.10 Media Relations/Public Disclosure. Each party shall provide the other with as much advance notice as is practical of any proposed use of the other's name in any written public disclosure or press release. If such a public disclosure is required by law, rule or regulation, the disclosing party shall provide copies of the disclosure reasonably in advance of such disclosure for the prior review and comment by the nondisclosing party's external corporate communications (public relations) department.

17.11 Survival. The provisions of this Section 17 (other than Section 17.10) will survive termination or expiration of this Agreement.

CONFIDENTIAL

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate originals, by their respective officers thereunto duly authorized, the day and year herein written.

ELI LILLY AND COMPANY

By: /s/ John C. Licklighter

Title: Executive Vice President

Date: 5/30/02

AMARIN CORPORATION, PLC

By: /s/ Michael D. Coffee

Title: PRES. AND COO

Date: 6/3/02

EXHIBIT A

PATENT RIGHTS

	Filing Date	Issue Date
A. Compound and Parkinson's indications		
U.S. Patent 4,166,182	2/8/78	8/28/79
U.S. Patent 4,180,582	2/8/78	12/25/79
B. Presently used stabilization method		
U.S. Patent 5,114,948	10/19/89	5/19/92
C. Synthetic methods		
U.S. Patent 4,782,152	8/16/85	11/1/88
U.S. Patent 5,463,060	5/21/92	10/31/95
D. Additional indications		
U.S. Patent 5,416,090	12/8/92	5/16/95
U.S. Patent 5,063,234	4/5/91	11/5/91
E. Additional formulation methods		
U.S. Patent 4,797,405	10/26/87	1/10/89

EXHIBIT B

Permax(R) supplied by Lilly shall conform to the Specifications of Lilly's NDA and Lilly will use its best efforts to assure that the Permax(R) has a minimum thirteen (13) months' expiry dating remaining when delivered to Amarin. Should stability lot production, lot manufacture scheduling problems, special testing requirements or other factors result in Lilly delivering to Amarin quantities of Permax(R) with less than thirteen (13) months' expiry dating remaining, Lilly and Amarin agree to cooperate in arranging distribution of those quantities to Amarin wholesalers who will accept the expiry dating remaining. If notwithstanding that cooperation, the Permax(R) with less than thirteen (13) months' expiry dating remaining when delivered to Amarin is not distributable by Amarin to its wholesalers, Amarin may return that Permax(R) to Lilly on a full credit basis.

EXECUTION COPY

DATE: 27TH JANUARY 2003

ELAN PHARMACEUTICALS INC.
AND
AMARIN CORPORATION PLC.

DEED OF VARIATION
RELATING TO
AMENDED AND RESTATED
DISTRIBUTION, MARKETING AND OPTION AGREEMENT
DATED 28 SEPTEMBER 2001
(PERMAX(R))

INDEX

THIS DEED OF VARIATION is made the 27th January 2003

BETWEEN:

(1) ELAN PHARMACEUTICALS, INC., a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("ELAN"); and

(2) AMARIN CORPORATION PLC, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("AMARIN").

WHEREAS:

(A) Elan and Amarin entered into an Amended and Restated Distribution, Marketing and Option Agreement between Elan and Amarin dated 28 September 2001 (the "AGREEMENT").

(B) Elan and Amarin entered into a Waiver and Amendment dated 8 August 2002. A condition therein not having been fulfilled, such Waiver and Amendment was not effective, as Elan and Amarin hereby acknowledge.

(C) Elan and Amarin also entered into an assignment and assumption Agreement effective as of 29 March, 2002 as a part of the consummation of Amarin's exercise of its option right for Permax.

(D) Elan Corporation, plc., Elan Pharma International Limited, Elan International Services Limited, Elan, Monksland Holdings BV and Amarin have entered into a Master Agreement of even date herewith (the "MASTER AGREEMENT").

(E) Pursuant to the Master Agreement, Amarin and Elan have agreed to amend the Agreement by and upon the terms of this Deed.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.

1.2. Reference to articles, sections, clauses and paragraphs herein are to articles, sections, clauses and paragraphs in the Agreement.

2. INTRODUCTION

This Deed is supplemental to the Agreement.

3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. Section 3.01(c) shall be varied by the deletion of the words "Thirty Seven Million Five Hundred Thousand Dollars ($37,500,000.00)" and the substitution therefor of the words "Thirty Million Dollars ($30,000,000.00)".

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. EXECUTION AND DELIVERY

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. MISCELLANEOUS

The provisions of Article 13 (Miscellaneous) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

EXECUTED as a DEED by)
AMARIN CORPORATION PLC)
acting by:-)

Director /s/ Richard Stewart

Secretary /s/ Jonathan Lamb

EXECUTED as a DEED by)
ELAN PHARMACEUTICALS, INC.)
acting by:-)

Name: /s/ Michael Pagnotta

Title:

EXECUTION COPY

DATED 19th July 2002

(1) AMARIN CORPORATION PLC

(2) ELAN PHARMA INTERNATIONAL LIMITED

DEED OF VARIATION

NICHOLSON GRAHAM & JONES
110 CANNON STREET LONDON EC4N 6AR
TEL: 020 7648 9000
FAX: 020 7648 9001
REF: OEW

THIS DEED OF VARIATION is made the 19th day of July 2002

BETWEEN:

(1) AMARIN CORPORATION PLC (a company incorporated in England and Wales under number 002353920) whose registered office is at 7 Curzon Street, London W1J 5HG ("AMARIN"); and

(2) ELAN PHARMA INTERNATIONAL LIMITED (a company incorporated in Ireland) whose registered office is at WIL House, Shannon Business Park, Shannon, County Clare, Ireland ("ELAN PHARMA").

WHEREAS:

(A) This Deed of Variation is supplemental to the Loan Agreement dated 28 September 2001 (the "Agreement") between the parties.

(B) The parties hereto have agreed that the Agreement should be varied by and upon the terms of this Deed.

NOW THIS DEED WITNESSES as follows :-

1. DEFINITIONS

1.1 Unless the context otherwise requires, the words and expressions defined in the Agreement shall have the same meaning in this Deed.

1.2 Reference to clauses herein are to clauses in the Agreement.

2. INTRODUCTION

This Deed is Supplemental to the Agreement.

3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1 The following definition shall be added:

" "REFINANCING" means the acquisition by Amarin of financing by (i) ordinary equity issued with a discount of up to 40% of the market and/or (ii) convertible debt to be issued with a conversion price at a premium to the market, in each case (a) in the amount of US$15 million to US$50 million and (b) for the purposes of repaying US$20 million of the Loan and providing working capital to Amarin for general commercial purposes."

3.2 The following definition shall be deleted:

" "REPAYMENT DATE " means 30 September 2002."

3.3 Clause 2.3 (Interest) shall be varied by the addition of the words "any part of" between the words "the period for which" and "the Loan" in the first line of that clause.

3.4 Clause 2 shall be varied by the addition of the following clause 2.3A between clauses 2.3 and 2.4:

"2.3A DEFAULT INTEREST

In the event that Amarin fails to pay any amount payable by it under this Agreement on the due date, then without prejudice to any other right or remedy Elan Pharma may have, Amarin shall additionally pay to Elan Pharma default interest on the principal sum not paid (but not the interest thereon) at the rate of 2 per cent. per annum ("Default Interest"). Default interest shall:

2.3A.1 be payable forthwith upon demand;

2.3A.2 be payable after judgment as well as before;

2.3A.3 accrue from day to day and be calculated on the basis of actual days elapsed and a 365 day year; and

2.3A.4 be paid without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law."

3.5 Clause 2.4 (Repayment) shall be varied so it reads:

"REPAYMENT

The Loan shall be repaid by Amarin to Elan Pharma (or as it may direct) in the following amounts on the following dates:

2.4.1 US$2,500,000 on 22 July 2002 (together with all interest thereon as calculated pursuant to clause 2.3);

2.4.2 US$17,500,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2002; provided that in the event that Refinancing is completed prior to 30 September 2002, the said sum of $17,500,000 shall become immediately due and payable together with all interest thereon as calculated pursuant to clause 2.3;

2.4.3 US$10,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2003;

2.4.4 US$15,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2004.

in each case without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law."

3.6 Clause 2.5 (Prepayment) shall be varied by (i) the addition of the words "which is outstanding" between the words "amount of the Loan" and "(but not only part)" in the first line of that clause; and (ii) the deletion of the words "the Repayment Date" in the second line of that clause and the replacement therefor of the words "any of the dates specified in Clause 2.4."

3.7 Clause 3.1 (Covenant and Warranties) shall be varied by the addition of the words "any part of" between the words "ensure that while" and "the Loan" in the first line of that clause.

3.8 Clause 4 (Events of Default) shall be varied by the substitution of the words "Each of clauses 4.1 to 4.5A below" for the words "Each of clauses 4.1 to 4.6 below".

3.9 Clause 4.1 (Failure to Pay) shall be varied by the addition at the end of the following sentence:

"Provided that failure to pay on the due date the sum referred to in clause 2.4.2 shall not constitute an "Event of Default" for the purposes of clause 4.6 if Refinancing has not been completed before that date; but failure to pay such sum, together with accrued interest and Default Interest, by the sooner of (a) completion of the Refinancing or (b) 31 December 2002 shall constitute such an Event of Default."

3.10 Clause 4.3 (Breach of Covenant) shall be varied by the substitution of the words "Clause 3" for the words "Clause 4".

3.11 Clause 4 shall be varied by the addition of the following clause 4.5A between clauses 4.5 and 4.6:

"4.5A REFINANCING

4.5A.1 Amarin fails to use its best commercial efforts to ensure that Refinancing is completed not later than 30 September 2002; or

4.5A.2 Refinancing is not completed by 31 December 2002."

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. EXECUTION AND DELIVERY

5.1 Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2 The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. MISCELLANEOUS

6.1 This Deed may be executed in several counterparts and upon due execution of all such counterparts by one or more parties, each counterpart shall be deemed to be an original hereof.

6.1 The provisions of Clauses 5 (Further Assurance), 6 (General), 7 (Assignment), 8 (Notices) and 9 (Governing Law, Jurisdiction) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

EXECUTED as a DEED by)
AMARIN CORPORATION PLC)
acting by:-)

Director /s/ Richard Stewart

Secretary /s/ Jonathan Lamb

EXECUTED AS A DEED

by ELAN PHARMA INTERNATIONAL /s/ William Daniel
LIMITED /s/ David Hurley

EXECUTION COPY

DATE: 23 DECEMBER 2002

AMARIN CORPORATION, PLC.
AND
ELAN PHARMA INTERNATIONAL LIMITED

DEED OF VARIATION NO. 2
RELATING TO
LOAN AGREEMENT DATED 28 SEPTEMBER 2001 AS AMENDED

INDEX

THIS DEED OF VARIATION NO. 2 is made the 23rd December 2002

BETWEEN:

(1) AMARIN CORPORATION PLC, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("AMARIN"); and

(2) ELAN PHARMA INTERNATIONAL LIMITED, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("ELAN PHARMA").

WHEREAS:

(A) Amarin and Elan Pharma entered into a Loan Agreement dated 28 September 2001.

(B) The said Loan Agreement was amended by a Deed of Variation dated 19 July 2002.

(C) Amarin and Elan Pharma have agreed to amend the Agreement (as defined below) by and upon the terms of this Deed.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. In this Deed, the "AGREEMENT" shall mean the Loan Agreement between Amarin and Elan Pharma dated 28 September 2001, as amended by the Deed of Variation dated 19 July 2002.

1.2. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.

1.3. Reference to clauses herein are to clauses in the Agreement.

2. INTRODUCTION

This Deed is supplemental to the Agreement.

3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. The definition of "REFINANCING" in Clause 1.1 shall be deleted.

3.2. Clause 2.4.2 (Repayment) shall be varied so it reads:

"2.4.2 US$17,500,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2002;"

3.3. The second paragraph of Clause 4.1 (Failure to Pay) shall be varied so it reads:

"Provided that failure to pay on the due date the sum referred to in clause 2.4.2 shall not constitute an "Event of Default" for the purposes of clause 4.6; but failure to pay such sum, together with accrued interest and Default Interest, on or before 15 January 2003 shall constitute such an Event of Default."

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. EXECUTION AND DELIVERY

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. MISCELLANEOUS

6.1. This Deed may be executed in several counterparts and upon due execution of all such counterparts by one or more parties, each counterpart shall be deemed to be an original hereof.

6.2. The provisions of Clauses 5 (Further Assurance), 6 (General), 7 (Assignment), 8 (Notices) and 9 (Governing Law, Jurisdiction) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

EXECUTED as a DEED by)
AMARIN CORPORATION PLC)
acting by:-)

Director /s/ Richard Stewart

Secretary /s/ Jonathan Lamb

SIGNED AND DELIVERED AS A DEED
by ELAN PHARMA INTERNATIONAL LIMITED a /s/ William Daniel
company incorporated in Ireland acting by /s/ Michael O'Reilly
(being [a person] [persons] who, in
accordance with the laws of that country,
[is/are] acting under the authority of
the company) in the presence of:

Witness:
Signature /s/ Alex Nesbitt

Name Alex Nesbitt

Address Lincoln House

Lincoln Place

Dublin 2, Ireland

Occupation Lawyer

EXECUTION COPY

DATE: 27TH JANUARY 2003

AMARIN CORPORATION PLC.
AND
ELAN PHARMA INTERNATIONAL LIMITED

DEED OF VARIATION NO. 3
RELATING TO
LOAN AGREEMENT DATED 28 SEPTEMBER 2001 AS AMENDED

INDEX

THIS DEED OF VARIATION NO. 3 is made the 27th January 2003

BETWEEN:

(1) AMARIN CORPORATION PLC, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("AMARIN"); and

(2) ELAN PHARMA INTERNATIONAL LIMITED, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("ELAN PHARMA").

WHEREAS:

(A) Amarin and Elan Pharma entered into a Loan Agreement dated 28 September 2001.

(B) The said Loan Agreement was amended by a Deed of Variation dated 19 July 2002 and by a Deed of Variation No. 2 dated 23 December 2002.

(C) Elan Corporation, plc., Elan Pharma, Elan International Services Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and Amarin have entered into a Master Agreement of even date herewith (the "MASTER AGREEMENT").

(D) Pursuant to the Master Agreement, Amarin and Elan Pharma have agreed to amend the Agreement (as defined below) by and upon the terms of this Deed.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. In this Deed, the "AGREEMENT" shall mean the Loan Agreement between Amarin and Elan Pharma dated 28 September 2001, as amended by the Deed of Variation dated 19 July 2002 and further amended by the Deed of Variation No. 2 dated 23 December 2002.

1.2. Unless the context otherwise requires, all other words and expressions defined in the Agreement shall have the same meaning in this Deed.

1.3. Reference to clauses herein are to clauses in the Agreement.

2. INTRODUCTION

This Deed is supplemental to the Agreement.

3. VARIATIONS

The parties to this Deed agree that with effect from the date hereof the Agreement shall be varied as follows:

3.1. The following definitions shall be added:

" "LEGACY SALE" shall mean the sale to one or more independent third parties of all or substantially all of the assets of Amarin and/or its Affiliates relating to all or substantially all of the following products/product lines: Motofen, Capital & Codeine, Nohalist and the Bontril and Phrenilin families of products."

" "SWEDISH SALE" shall mean the sale to an independent third party of (a) all or substantially all the shares in Amarin's Affiliate Amarin Development AB, Malmo, Sweden ("AMARIN AB") or (b) all or substantially all of the assets of Amarin AB."

3.2. Clause 2.4 (Repayment) shall be varied so it reads:

"REPAYMENT

The Loan shall be repaid by Amarin to Elan Pharma (or as it may direct) in the following amounts on the following dates:

2.4.1 US$2,500,000 on 22 July 2002 (together with all interest thereon as calculated pursuant to clause 2.3);

2.4.2 US$17,500,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2002;

2.4.3 US$10,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2004;

2.4.4 US$15,000,000 (together with all interest thereon as calculated pursuant to clause 2.3) on 30 September 2005.

in each case without any set-off, counterclaim, withholding or deduction for any reason whatsoever except as required by law."

3.3. Clause 2.5 shall be deleted in its entirety and replaced with the following:

"2.5 PREPAYMENT

Amarin may prepay the whole amount or part of the Loan which is outstanding at any time before any of the dates specified in Clause 2.4, together with any interest thereon as calculated pursuant to clause 2.3 and as if the date of such prepayment was the last day of an Interest Period.

Amarin may not pay less than US$100,000 in any prepayment of only part of the Loan then outstanding, unless this is required by some other agreement between Amarin and Elan Pharma.

Each such prepayment shall be credited first against the first payments in time under Clause 2.4."

3.4. Clause 4 shall be varied by the addition of the following Clause 4.5A between clauses 4.5 and 4.6:

"4.5A LEGACY SALE AND SWEDISH SALE

4.5A.1 Subject to the fiduciary obligations of the Board of Directors, Amarin fails to use its best commercial efforts to procure the Legacy Sale and/or the Swedish Sale each for a reasonable sum; or

4.5A.2 Amarin fails to apply the proceeds of the Legacy Sale and/or the Swedish Sale in the manner provided for in the Master Agreement."

4. CONFIRMATION OF THE AGREEMENT

Save as varied by this Deed, the parties hereto confirm that the Agreement shall continue in full force and effect in all respects.

5. EXECUTION AND DELIVERY

5.1. Each of the parties to this document intends it to be a Deed and agrees that upon it being dated it shall be treated as having been delivered as a Deed.

5.2. The signing of this Deed by or on behalf of the parties hereto shall constitute an authority to their respective solicitors (or any of them) or any agent or an employee of them to date it as a Deed on behalf of the parties.

6. MISCELLANEOUS

6.1. This Deed may be executed in several counterparts and upon due execution of all such counterparts by one or more parties, each counterpart shall be deemed to be an original hereof.

6.2. The provisions of Clauses 5 (Further Assurance), 6 (General), 7 (Assignment), 8 (Notices) and 9 (Governing Law, Jurisdiction) of the Agreement shall be incorporated into this Deed mutatis mutandis.

IN WITNESS whereof the parties have executed and delivered this Deed the date first above written.

EXECUTED as a DEED by)
AMARIN CORPORATION PLC)
acting by:-)

Director /s/ Richard Stewart

Secretary /s/ Jonathan Lamb

SIGNED AND DELIVERED AS A DEED

by ELAN PHARMA INTERNATIONAL LIMITED a company incorporated in Ireland acting by (being [a person] [persons] who, in accordance with the laws of that country, [is/are] acting under the authority of the company) in the presence of:

/s/ William Daniel
/s/ Michael O'Reilly

Witness:
Signature /s/ Alex Nesbitt

Name Alex Nesbitt

Address Lincoln House Lincoln Place

Dublin 2
Ireland

Occupation Attorney (emp.)

Exhibit 4.18

October 21, 2002

Richard Stewart, CEO
Amarin Corporation plc
7 Curzon Street
London, W1J 5HG

Dear Mr Stewart

We are pleased to confirm the arrangements under which Security Research Associates, Inc. ("SRA") is engaged by Amarin Corporation plc (the "Company") as financial advisor and non-exclusive placement agent on a "best-efforts" basis in connection with a proposed private placement of up to $25 million of ordinary shares, par value Pound Sterling 1 per share, of the Company (the "Ordinary Shares") to be issued by the Company in accordance with the proposed terms set forth in Annex A (the "Financing").

During the term of our engagement, we will provide you with financial advice and assistance in connection with the Financing, which may include performing valuation analyses and assisting you in negotiating the financial aspects of the transaction. During the term of our engagement, we will also identify and contact potential investors and assist in the preparation and review of a private placement memorandum and other documents related to the Financing.

In the event the Financing is consummated, the Company agrees to pay to SRA a transaction fee (the "Transaction Fee") consisting of (i) 7% of the gross proceeds from the Financing received by the Company from investors introduced by SRA to the Company (the "SRA Investors") prior to the Closing Date, and (ii) 5 year warrants to acquire a number of shares of the Company's Ordinary Shares equal to 7% of the aggregate gross proceeds from the Financing received by the Company from SRA Investors divided by the price per share of the Company's securities paid by the SRA Investors. The warrants will have an exercise price which will be the same as the per share price paid by the SRA Investors in the Financing. The warrants shall be exercisable no earlier than one year from the date of closing of the Financing (the "Closing Date"). The warrants shall be issued pursuant to a definitive warrant agreement containing customary provisions including registration rights anti-dilution provisions which comply with NASD regulatory requirements. The Company will provide the same registration rights to SRA as it provides to the SRA Investors.

The Company also agrees to reimburse SRA periodically, upon request, or upon termination of our services pursuant to this letter (the "agreement"), for our reasonable and reasonably documented out-of-pocket expenses, incurred in connection with our financial advisory services and the Financing, including the reasonable fees and expenses of legal counsel, travel expenses and printing. All such out-of-pocket fees and expenses shall not exceed a combined aggregate amount of $10,000.

Please note that any written or oral opinion or advice provided by SRA in connection

with our engagement is exclusively for the information of the Board of Directors and senior management of the Company, and may not be disclosed to any third party (other than the Company's legal, accounting or other advisors, who shall have been instructed with respect to the confidentiality of such advice) or circulated or referred to publicly without our prior written consent, except as to the extent required by law, judicial or administrative process or regulatory demand.

As you know, SRA may, from time to time, effect transactions in the Company's stock, for its own account or the account of customers, and hold positions in securities or options on securities of the Company.

The term of this Agreement shall extend to the Closing Date. The Company or SRA shall be entitled to terminate this Agreement before the Closing Date on written notice to the other party at the address set forth for such party on the signature page hereof. In the event of the termination of this Agreement, SRA shall be entitled to be paid its existing reasonable out-of-pocket expenses subject to the terms described above. The confidentiality provisions of this Agreement shall be unaffected by the termination of this agreement. The Company shall not be obligated to reimburse any expenses incurred by SRA or its advisors with respect to activities undertaken after notification of termination is given. [In the event this Agreement is terminated and prior to the expiration of 12 months from the date of such termination, an agreement is entered into by the Company with respect to any transaction contemplated by this agreement with a third party introduced to the Company by SRA who was not known to the Company prior to such introduction, SRA will be entitled to the transaction fee set forth above. Upon the termination or expiration of this Agreement, SRA shall provide the Company with a list of those entities introduced to the Company by SRA with respect to the Financing.

SRA is an independent contractor and non-exclusive placement agent of the Company. SRA will not have any right or authority to bind the Company or otherwise create any obligations of any kind on behalf of the Company and will make no representation to any third party to the contrary. The Company and SRA each acknowledge and understand that SRA will provide services on a non-exclusive basis. In addition, the Company and SRA each acknowledge and understand that the Company may utilize the services of other placement agents and solicitors in connection with arranging or placing any portion of the Financing.

During the term of this Agreement and thereafter, each of the Company and SRA agrees to keep confidential and not disclose to any third party any confidential information of the other party, and to use such confidential information only in connection with the engagement hereunder; provided, however, the foregoing will not prohibit disclosures (i) to the parties' employees, agents and other representatives to the extent necessary to enable the Company or SRA to perform its responsibilities under this Agreement, (ii) to the extent required by law, judicial or administrative process or regulatory demand, or (iii) with respect to matters which become public other than by the actions of the disclosing party hereunder. This section will survive the termination of this Agreement.

Each of the Company and SRA agrees of conduct the Financing in a manner intended to qualify for the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act"), provided by Section 4(2) of the Act. Each of the Company and SRA agrees to limit offers to sell, and solicitations of offers to buy, securities of the Company in connection with the Financing to persons reasonably believed by it to be "qualified institutional

buyers" as such term is defined in Rule 144A under the Act and "accredited investors" as such term is defined in Rule 501(a) of Regulation D promulgated under the Act.

Each of the Company and SRA agrees that any offers it makes in connection with the Financing will be made only to prospective purchasers on an individual basis and that it will not engage in any form of general solicitation or general advertising (within the meaning of Rule 502 under the Act) in connection with the Financing. Each of the Company and SRA agrees to conduct the Financing in a manner intended to comply with the registration or qualification requirements, or available exemptions therefrom, under applicable state "blue sky" laws and applicable securities laws of other jurisdictions.

The Company may decline to consummate the Financing with any prospective purchaser in the Company's sole discretion.

Any dispute arising out of this Agreement shall be resolved in an arbitration conducted pursuant to the rules of the National Association of Securities Dealers, Inc. in San Francisco, CA.

Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed copy of this Agreement, which shall become a binding agreement upon our receipt. We are delighted to accept this engagement and look forward to working with you on this assignment.

Very truly yours,

SECURITY RESEARCH ASSOCIATES, INC.
80 E. Sir Francis Drake Boulevard, Suite 3F
Larkspur, CA 94939
U.S

By: /s/ Brian G. Swift

Brian G. Swift
Chairman

Date: 1/9/03

Confirmed by:

AMARIN CORPORATION PLC
7 Curzon Street, Mayfair
London W1J 5HG
U.K

By: /s/ Richard A. B. Stewart

Richard A. B. Stewart
Chief Executive Officer

Date: 1/9/03

ANNEX A

CONFIDENTIAL

TERM SHEET FOR PRIVATE PLACEMENT OF ORDINARY SHARES OF AMARIN CORPORATION PLC

INVESTORS:	"qualified institutional buyers" (as defined in Rule 144A under the Act) and "accredited investors" (as defined in Rule 501(a) of Regulation D under the Act) acceptable to the Company.
TOTAL AMOUNT:	Up to $25 million by the sale of Ordinary Shares or as mutually agreed.
STOCK PRICE:	To be negotiated between the Company and the investors who purchase Ordinary Shares of the Company in the Financing, but, in no event shall the sale price per Ordinary Share be less than the price per Ordinary Share equal to 90% of the average closing prices of the Company's American depositary receipts on NASDAQ over the five trading days immediately prior to the Closing Date.
REGISTRATION:	The Company shall enter into a registration rights agreement (the "Registration Rights Agreement") with each of the investors who purchase Ordinary Shares of the Company in the Financing. In addition to other customary terms and provisions, the Registration Rights Agreement will require the Company to use its reasonable efforts to file within ninety (90) days of the Closing Date with the Securities and Exchange Commission (the "SEC") a registration statement on Form F-1 or F-3 (or other appropriate form) for all shares of the Company's Ordinary Shares sold in this Financing and the Ordinary Shares underlying the warrants issued to SRA as part of the Transaction Fee. The Registration Rights Agreement will also require the Company to use its reasonable efforts to have such registration statement declared effective at the earlier of one hundred and eighty (180) days from the Closing Date orten (10) days after receiving a no-review status from the SEC. Finally, the Registration Rights Agreement will only require the Company to keep such registration statement effective for a period of one (1) year from the Closing Date.
CLOSING DATE:	Mutual agreement between the Company and the prospective purchasers, but not later than November 29, 2002.

EXECUTION COPY

AGREEMENT ("Agreement") dated 27th January 2003 among Amarin Corporation plc ("Company"), Monksland Holdings BV ("Monksland") and Elan International Services Limited ("EISL" and, together with Monksland, the "Shareholder").

INTRODUCTION

Monksland and EISL hold ordinary shares, par value Pound Sterling 1 per share ("Ordinary Shares") and 3% convertible preference shares ("Preference Shares") of the Company, all or part of which shares are subject to the terms of the (a) Second Subscription Agreement, dated November 1999, among the Company (formerly named Ethical Holdings plc), Monksland and Elan Corporation plc ("1999 Subscription Agreement") and (b) Convertible Term Loan Agreement, dated October 21, 1998, between the Company (formerly named Ethical Holdings plc) and Monksland ("CTLA"). Under the 1999 Subscription Agreement and the CTLA, the Company is obligated to register with the United States Securities and Exchange Commission certain Ordinary Shares held by Monksland and EISL.

The Company and EISL entered into an Agreement dated 28 March 2002 pursuant to which EISL agreed not to convert 2,000,000 Preference Shares into Ordinary Shares until after 1 December 2002. EISL now wishes to convert such Preference Shares and will present a conversion notice to the Company in the form set out in schedule 2.

Simultaneously herewith, the Company, EISL and Monksland are entering into an Amendment No. 1 to Registration Rights Agreement And Waiver (the "Registration Rights Agreement") relating to the Registration Rights Agreement between the Company and Monksland dated as of 21 October 1998.

The Company is conducting a private placement ("Private Placement") of Ordinary Shares pursuant to an Amended Confidential Private Placement Memorandum dated 10 December 2002, as supplemented by a letter dated January 2003, which together are attached as Exhibit B hereto. In connection with such Private Placement, the Company is undertaking to the investors ("Investors") therein to use its reasonable efforts to file a registration statement ("Registration Statement") with the Securities and Exchange Commission, within 90 days of completion of the Private Placement, on Form F-3 or such other form as is appropriate and use its reasonable efforts to cause such registration statement to be declared effective.

The Shareholder may also enter into a share purchase agreement in substantially the form of Exhibit A hereto (the "Share Purchase Agreement") with certain Investors, pursuant to which such Investors may acquire up to 944,124 Ordinary Shares held by the Shareholder.

At the same time as entering into this Agreement EISL and the Company inter alia will enter into an agreement restructuring its relationship with EISL and certain other companies within the Elan group (the "Master Agreement").

1. UNDERTAKING NOT TO SELL SHARES

1.1 Each of Monksland and EISL hereby severally, irrevocably and unconditionally undertakes, represents and warrants to and confirms and agrees with the Company that until October 1, 2003, such Shareholder shall not, except as set forth in clause 1.2 sell, transfer, charge, encumber, grant any options over or otherwise dispose of, or permit the sale, transfer, charging, encumbering, granting of any option over or other disposal of, all or any of the Ordinary Shares or Preference Shares listed in Schedule 1 hereto (the "Shares", which term shall include other shares of capital of the Company issued to, acquired by or purchased by the Shareholder after the date hereof and attributable to or derived from such Shares, including Ordinary Shares issued upon conversion of the Preference Shares listed on such Schedule 1) or any rights or interest therein.

1.2 Nothing in this Agreement shall prevent the Shareholder from -

(a) converting the Preference Shares listed on Schedule 1 into Ordinary Shares;

(b) selling up to 944,124 Ordinary Shares to Investors pursuant to the Share Purchase Agreement;

(c) including the Ordinary Shares held by the Shareholder in the Registration Statement; provided that the Shareholder is not permitted to sell Ordinary Shares so registered under such Registration Statement until October 1, 2003 or as permitted by clauses (d), (e) or (f) below; or

(d) subject to applicable securities laws, selling Ordinary Shares where (i) the purchaser enters into a written agreement with the Shareholder, whereby such purchaser represents and confirms its intention to hold such Ordinary Shares for a period ending not earlier than 30th September 2003 (and for the avoidance of doubt the Shareholder shall not be in breach of this Agreement by virtue of such purchaser disposing of such Ordinary Shares before 30th September 2003) and (ii) the per share sale price of such Ordinary Shares is not less than 90% of the closing sale price of the Company's American Depositary Shares on Nasdaq for the five trading days immediately prior to the date of such sale;

(e) accepting or agreeing to accept any offer to all the holders of the Company's Ordinary Shares (or all such shareholders other than the offeror and/or any body corporate controlled by the offeror and/or any person acting in concert with the offeror as defined in the City Code on Takeovers and Mergers) to acquire the whole or any part of the issued ordinary share capital of the Company; or

(f) transferring any Shares to a subsidiary or holding company or any subsidiary of any holding company as such terms are defined in S. 736 of the Companies Act 1985 so long as such subsidiary or holding company agrees to take such Shares on the same terms as held by the Shareholder, including the terms of this Agreement.

2. REGISTRATION STATEMENT

The Company shall notify the Shareholder of the form and content of the Registration Statement a reasonable time prior to the filing thereof.

3. UNDERTAKING BY THE COMPANY

The Company hereby agrees to waive the requirement in clause 3.2 of the 1999 Subscription Agreement that the Company be given 10 business days notice before the Preference Conversion Date (as such term is defined in the 1999 Subscription Agreement).

4. MISCELLANEOUS

4.1 A waiver of any term, provision or condition of this Agreement shall be effective only if given in writing and signed by the waiving party and then only in the instance and for the purpose for which it is given. No failure or delay on the part of the Shareholder or the Company in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No provision of this Agreement may be amended or otherwise modified except by a writing duly signed by the party against whom such amendment or modification is sought to be enforced.

4.2 This Agreement, the Master Agreement and the documents exhibited hereto constitute the entire and only understanding between or amongst the Shareholder and the Company with respect to the subject matter hereof and supersedes all prior agreements and other understandings of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement.

4.3 This Agreement shall be binding upon each party hereto, together with their successors and permitted assigns, provided that no party shall assign its rights under this Agreement without the prior written consent of the other parties hereto.

4.4 This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart. This Agreement may be executed by either party by the delivery by such party by facsimile of a copy of the signature page of this Agreement, duly executed by such party. Any copy of this Agreement so executed by facsimile shall be deemed to be an originally executed copy of this Agreement.

4.5 This Agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Agreement or its formation) shall be governed by and construed in accordance with English law. Each of the parties to this Agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out

of or in connection with this Agreement and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

4.6 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no person other than the parties to this Agreement shall have any rights under it, nor shall it be enforceable under that Act by any person other than the parties to it.

4.7 Except as provided in or anticipated by this Agreement, each party shall at all times during the continuance of this Agreement use its respective best endeavours to keep the contents of this Agreement confidential and accordingly shall not disclose details of the contents of this Agreement to any other person other than on a confidential basis, it being acknowledged that the Company may disclose the existence and terms of this Agreement to the Investors in connection with the Private Placement. Subject to Clause 4.8, no announcement or public statement concerning the existence, subject matter or any term of this Agreement shall be made by or on behalf of any party hereto without the prior written approval of the other party (Elan Corp in the case of the Shareholders).

The terms of any such announcement shall be agreed in good faith by the parties.

4.8 A party (the "Disclosing Party") will be entitled to make an announcement or public statement concerning the existence, subject matter or any term of this Agreement, or to disclose Confidential Information that the Disclosing Party is required to make or disclose pursuant to:

4.8.1 a valid order of a court or Governmental Authority; or

4.8.2 any other requirement of law, regulation or any securities market or stock exchange;

provided that if the Disclosing Party becomes legally required to make such announcement, public statement or disclosure hereunder, the Disclosing Party shall give the other party or parties hereto prompt notice of such fact to enable the other party or parties hereto to seek a protective order or other appropriate remedy concerning any such announcement, public statement or disclosure.

The Disclosing Party shall fully co-operate with the other party or parties hereto in connection with that other party's or parties' efforts to obtain any such order or other remedy.

If any such order or other remedy does not fully preclude announcement, public statement or disclosure, the Disclosing Party shall make such announcement, public statement or disclosure only to the extent that the same is legally required.

4.9 Any notice to be given under this Agreement shall be sent in writing in English by registered or recorded delivery post, reputable overnight courier or fax to:

EISL at

Elan International Services Ltd.
102 St. James Court
Flatts,
Smiths FL04
Bermuda

Attention: Secretary
Fax: +1 441 292 2224

Monksland at

Monksland Holdings B.V.
Rivierstaete Office Building - 6th Floor
Amsteldijk 166
1079 LH Amsterdam
The Netherlands

Attention: Pieter Bosse/Marielle Stijger
Fax: +31 20 642 3185

with a copy in the case of each of EISL and Monksland (receipt of which shall not constitute notice) to:

Elan Corporation, plc.
Lincoln House
Lincoln Place
Dublin 2
Ireland

Attention: Senior Vice President, Legal
Fax: +353 1 709 4124

Amarin at

7 Curzon Street
London
W1J 5HG
England

Attention: General Counsel & Company Secretary
Fax: +44 20 7499 9004

or to such other address(es) and fax numbers as may from time to time be notified by either party to the other hereunder.

Any notice sent by mail shall be deemed to have been delivered within 7 working days after despatch or delivery to the relevant courier and any notice sent by fax shall be deemed to have been delivered upon confirmation of receipt. Notice of change of address shall be effective upon receipt.

4.10 Amarin and the Shareholder shall each be responsible for one half of the stamp duty reserve tax payable on the transfer of the Shareholder's Ordinary Shares to the depositary. Amarin shall be responsible for any other fees, duty or taxes arising from the registration set out in the Registration Rights Agreement and/or the transfer of such Ordinary Shares to the depositary. Save as aforesaid, each party shall bear its own legal and other costs incurred in relation to preparing and concluding this Agreement.

IN WITNESS whereof this Agreement has been executed and delivered as a deed on the date first above written.

EXECUTED and delivered as a deed)
by AMARIN CORPORATION PLC)
Acting by:)

)
Director) /s/ Richard Stewart
)
Secretary) /s/ Jonathan Lamb

The Common Seal of)
ELAN INTERNATIONAL)
SERVICES, LTD.)
was hereunto affixed in the)
presence of:)

Director /s/ Kevin Insley

Director /s/ Michael Elias

SIGNED and delivered as a Deed)
by) /s/ Pieter Bosse
)
as attorney for) /s/ Klass Van Blanken
MONKSLAND HOLDINGS BV)
in the presence of:)

- ------------------------
Signature of witness

SCHEDULE 1

Shares

Shareholder	Shares
Elan International Services Limited	2,529,819 Ordinary Shares, less such number of Ordinary Shares as may be sold to the Investors
Elan International Services Limited	2,000,000 Preference Shares, which are convertible into an equivalent number of Ordinary Shares
Monksland Holdings BV	124,000 Ordinary Shares (54,000 of which are represented by American Depositary Receipts), less such number of Ordinary Shares as may be sold to the Investors

SCHEDULE 2

Preference Conversion Notice

To: Amarin Corporation plc (the "COMPANY")

We hereby give notice of our desire to exercise our rights conferred on us as holders of Preference Shares to convert Preference Shares to ordinary shares of the Company (the "CONVERSION RIGHTS") on [o] January 2003 (the "PREFERENCE CONVERSION DATE") immediately after closing of the Private Placement in respect of 2,000,000 Preference Shares of Pound Sterling 1 each in accordance with the rights attached to the Preference Shares.

It is anticipated that the Company will waive the requirements in clause 3.2 of Part 1 of the Appendix to the Second Subscription Agreement.

We desire that 2,000,000 ordinary shares of Pound Sterling 1 each in the capital of the Company to be allotted on such exercise of our Conversion Rights be allotted to and registered in our name and hereby authorise the entry of our name in the register of Members in respect thereof and the delivery of a Certificate therefore to Elan International Services, Ltd. as soon as reasonably practicable after the Preference Conversion Date.

We agree to accept all the fully paid ordinary share capital of the Company to be allotted to us pursuant hereto subject to the Memorandum and Articles of Association of the Company.

EXECUTED AS A DEED by ELAN INTERNATIONAL SERVICES, LTD.

Date: ___ January 2003

EXHIBIT A

[see attached form of Share Purchase Agreement between Shareholder and Investors]

EXHIBIT B

[see attached Amended Private Placement Memorandum dated 10 December 2002
and Letter referred to]

EXECUTION COPY

DATE: 27TH JANUARY 2003

ELAN CORPORATION, PLC.
ELAN PHARMA INTERNATIONAL LIMITED
ELAN INTERNATIONAL SERVICES, LTD.
ELAN PHARMACEUTICALS, INC.
MONKSLAND HOLDINGS BV
AND
AMARIN CORPORATION PLC.

MASTER AGREEMENT

INDEX

THIS AGREEMENT is made the 27th January 2003

BETWEEN:

(1) ELAN CORPORATION, PLC., a public limited company incorporated in the Republic of Ireland, whose registered office is at Lincoln House, Lincoln Place, Dublin 2, Ireland ("ELAN CORP")

(2) ELAN PHARMA INTERNATIONAL LIMITED, a company incorporated in the Republic of Ireland, whose registered office is at WIL House, Shannon Business Park, Shannon, Co Clare, Ireland ("EPIL")

(3) ELAN INTERNATIONAL SERVICES, LTD., a Bermuda exempted limited liability company incorporated under the laws of Bermuda and having its registered office at Clarendon House, 2 Church Street, Hamilton, Bermuda ("EIS")

(4) ELAN PHARMACEUTICALS, INC., a corporation duly organized and existing under the applicable laws of the State of Delaware, having a principal place of business in South San Francisco, California ("EP INC")

(5) MONKSLAND HOLDINGS BV, a private company limited by shares incorporated in the Netherlands under registered number 33265127, whose registered office is at Amsteldijk 166, 1079 Amsterdam, Netherlands ("MONKSLAND")

(6) AMARIN CORPORATION PLC, a company incorporated in England and Wales (registered no. 002353920), whose registered office is 7 Curzon Street, London, W1J 5HG England ("AMARIN")

WHEREAS:

(A) Amarin is a party to each of the agreements listed in Part A of Schedule 1 (together the "EXISTING AGREEMENTS"). The other parties hereto are also parties to certain of the Existing Agreements as set forth in Part A of Schedule 1.

(B) Simultaneously herewith, Amarin has undertaken the Refinancing.

(C) Amarin wishes to restructure its relationship with Elan and accordingly the parties have agreed to do so upon the terms set out in this Agreement and in the Amendments (as defined below).

NOW IT IS AGREED in consideration of the mutual promises and undertakings set out herein as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions:

"ADR" shall mean the American Depositary Receipts of Amarin representing Amarin's American Depositary Shares ("ADSS"), each of which currently represents one ordinary share of L1 in the capital of the Amarin and as are traded on the Nasdaq National Market under the symbol "AMRN".

"AFFILIATE" shall mean any corporation or entity controlling, controlled by or under the common control of Elan or Amarin or any third party, as the case may be. For the purpose of this definition, "control" shall mean direct or indirect ownership of fifty percent (50%) or more of the stock or shares entitled to vote for the election of directors.

"THIS AGREEMENT" shall mean this agreement and shall include the Recitals and Schedules hereto.

"AMENDMENTS" shall mean each of the agreed form documents listed in Part B of Schedule 1 and "AMENDMENT" shall have a corresponding meaning.

"CARNRICK AGREEMENT" shall mean the agreement referred to as number (3) of Part A of Schedule 1, as varied.

"ELAN" shall mean Elan Corp, EPIL, EIS, EP Inc and/or Monksland as the context requires.

"FURTHER EQUITY FINANCING" shall mean all and any equity financing by Amarin or any Affiliate, including by the issue of shares of any class, warrants, debt convertible into equity and/or the grant of the right to receive or to subscribe for shares of any class, but not including the Refinancing.

"LEGACY SALE" shall mean the sale to one or more independent third parties of all or substantially all of the assets of Amarin and/or its Affiliates relating to all or substantially all of the following products/product lines: Motofen, Capital & Codeine, Nohalist and the Bontril and Phrenilin families of products.

"LOAN AGREEMENT" shall mean the agreement referred to as number (1) of Part A of Schedule 1, as varied and as further varied by the relevant Amendment.

"NET PROCEEDS" means in relation to (a) the Refinancing or (b) the Legacy Sale and/or Swedish sale or (c) Further Equity Financing; the gross amount received by Amarin less customary expenses properly incurred or reasonably expected to be incurred by Amarin in connection with the conclusion of such transaction (including bankers', brokers, legal and accounting fees, printing fees, stamp duty, stamp duty reserve tax, ADR issuance fees and NASDAQ fees related to the issuance of ADRs, the registration of shares and/or the listing of ADRs, and fees of the U.S. Securities and Exchange Commission related to the registration of shares and/or ADRs, but for the avoidance of doubt not including interest, repayment of principal, dividends or redemption of capital).

"PERMAX AGREEMENT" shall mean the agreement referred to as number (2) of Part A of Schedule 1, as varied by the relevant Amendment.

"PPM" shall mean Amarin's Amended Private Placement Memorandum dated 10th December 2002, a copy of which has been previously supplied to Elan (marked "draft"), as updated by a letter of 17 January 2003.

"REFINANCING" shall mean the transaction described in Schedule 2.

"SWEDISH SALE" shall mean the sale to an independent third party of (a) all or substantially all the shares in Amarin's Affiliate Amarin Development AB, Malmo, Sweden ("AMARIN AB") or (b) all or substantially all of the assets of Amarin AB.

"ZELAPAR AGREEMENT" shall mean the agreement referred to as number (4) of Part A of Schedule 1, as varied and as further varied by the relevant Amendment.

"$" and "US$" shall mean United States dollars.

1.2. Interpretation:

In this Agreement:

1.2.1 the singular includes the plural and vice versa; references to words in one gender include references to the other genders; and references to natural persons includes corporate bodies, partnerships and vice versa;

1.2.2 any reference to a Clause or Schedule, unless otherwise specifically provided, is to a Clause or Schedule of or to this Agreement;

1.2.3 the headings in this Agreement are inserted for convenience only and do not affect its construction or interpretation;

1.2.4 the expressions "include", "includes", "including", "in particular" and similar expressions shall be construed without limitation.

2. THE AMENDMENTS

Immediately after execution of this Agreement, the respective parties to each of the Amendments shall execute and deliver each of the Amendments to the other parties thereto.

3. REFINANCING

3.1. Limited Waiver (Permax):

For the purposes of the Permax Agreement, EP Inc agrees that Amarin shall not, as a result of the Refinancing, be obliged to apply any part of the proceeds of the Refinancing in the manner set out in Section 3.01(d) of the Permax Agreement, but shall instead apply such proceeds in the manner set out in this Agreement.

3.2. Preference Shares Conversion Rate Unchanged:

Subject to Amarin complying with the conditions set out in this Agreement EIS hereby agrees with Amarin that the Refinancing shall for the purposes of Section 3.5 of the Appendix to Amarin's articles of association, as amended, not result in any adjustment to the Preference Conversion Rate (as defined therein).

3.3. Use of Proceeds:

Amarin and Elan acknowledge and agree that as of the date of this Agreement, the following amounts (inter alia) are due to Elan:

(a) US$2,357,038 (two million three hundred and fifty seventy thousand and thirty eight dollars) as interest outstanding under the Loan Agreement up to and including 31 December 2002, which amount does not include Default Interest (as defined therein);

(b) US$8,641,387 (eight million six hundred and forty one thousand three hundred and eighty seven dollars) under the Permax Agreement comprising:

(i) US$6,207,476 (six million two hundred and seven thousand four hundred and seventy six dollars) in respect of Permax inventory;

(ii) US$2,500,000 (two million five hundred thousand dollars) due as a Divestiture Payment (as defined in the Permax Agreement) relating to the three months ending 30 September 2002;

(iii) US$933,911 (nine hundred and thirty three thousand nine hundred and eleven dollars) due as a Royalty Payment (as defined in the Permax Agreement) for the nine months ending 30 September 2002; and

(iv) a credit of US$1,000,000 (one million dollars) due from EP Inc to Amarin as a Royalty Purchase Payment (as defined in the Permax Agreement) in respect of the three months ending 30 September 2002.

Upon closing of the Refinancing and receipt by Amarin of the Amendments executed by Elan Amarin shall apply certain of its cash reserves and certain of the Net Proceeds of the Refinancing first to the discharge of the foregoing amounts and at such time Amarin shall pay:

3.3.1 US$2,357,038 (two million three hundred and fifty seven thousand and thirty eight dollars) to EPIL in complete discharge of the amount referred to in paragraph (a) above; and

3.3.2 US$8,641,387(eight million six hundred and forty one thousand three hundred and eighty seven dollars) to EP Inc in discharge of the amount referred to in paragraph (b) above.

4. ASSET SALES

4.1. Subject to the fiduciary obligations of the Board of Directors, Amarin shall use all its commercial best efforts to effect for upfront cash consideration the Legacy Sale and the Swedish Sale, in each case for a reasonable sum, as expeditiously as is reasonably practicable after the date of this Agreement.

4.2. Amarin shall notify Elan as soon as is reasonably practicable following the Legacy Sale and the Swedish Sale of the fact of, gross proceeds and Net Proceeds of the Legacy Sale and the Swedish Sale.

4.3. Not later than the last day of each calendar month, commencing February 2003, Amarin shall provide to Elan:

4.3.1 a summary update of the status of the Legacy Sale and the Swedish Sale; and

4.3.2 certification from a company officer (a) stating that the requirements of this Clause 4 have been complied with and (b) outlining in reasonable detail the steps taken by Amarin during that month to effect the Legacy Sale and the Swedish Sale.

The obligation to provide updates and/or certification shall cease following the completion of the Legacy Sale and the Swedish Sale and the application of the Net Proceeds of the same in accordance with this Agreement.

5. USE OF PROCEEDS OF ASSET SALES

5.1. Payments:

Subject to Clause 5.2, Amarin shall apply the entire Net Proceeds of the Legacy Sale and the Swedish Sale as follows:

5.1.1 First, in paying to EPIL the non-refundable sum of US$5,000,000 (five million dollars);

5.1.2 Next, in paying to EP Inc the balance of the Total Divestiture Amount (as defined in the Permax Agreement) then outstanding, in partial or total discharge of that part of the Total Divestiture Amount then undischarged;

5.1.3 Next, in prepaying to EP Inc the Deferred Payment (as defined in the Carnrick Agreement), in partial or total discharge of that part of the Deferred Payment of US$6,500,000 (six and a half million dollars) then undischarged;

5.1.4 Next, in prepaying to EPIL the Loan (as defined in the Loan Agreement) which is outstanding;

5.1.5 Next, in discharging any amounts then due to Elan Corp and/or any of its Affiliates, howsoever arising;

5.1.6 Finally, for such other purposes as Amarin in its absolute discretion may think fit.

Subject to Clause 5.2, such payments to Elan shall be made within 10 (ten) days of the closing of each of the Legacy Sale and the Swedish Sale.

5.2. Partial Right to Defer:

After having applied the first $35,000,000 (thirty five million dollars) of the Net Proceeds of the Legacy Sale and the Swedish Sale in the manner provided in Clause 5.1, Amarin may at its option elect, by written notice to Elan, to apply not more than one half of the balance of such Net Proceeds after payment of the said $35,000,000 ("RETAINED PROCEEDS") for such purposes as it sees fit. In such event, Amarin shall within 6 (six) months of the closing of the Legacy Sale and/or the Swedish Sale, as the case may be, apply an amount equal to the Retained Proceeds in the manner provided in Clauses 5.1.1 to 5.1.6.

Nothing in this Clause 5.2 shall affect any right of Elan, or of any other Affiliate of Elan Corp, other than those set out in Clause 5.1.

5.3. Right to Amend:

Elan shall be entitled, in its sole discretion, to amend the order in which the Net Proceeds of the Legacy Sale and/or the Swedish Sale shall be applied, as between the uses specified in Clauses 5.1.1 to 5.1.5 inclusive. Such amendment will become effective upon receipt by Amarin of a written notice by Elan at any time or times but for the avoidance of doubt any such notice shall not have retrospective effect in respect of any payments previously made by Amarin to either of EPIL or EP Inc. in accordance with Clause 5.1.

5.4. Credit Against First Zelapar Milestone:

Amarin shall be entitled to recover such amount as it has paid to EPIL under Clause 5.1.1 as a credit against the milestone of US$17,500,000 payable under Section 7.2(a) of the Zelapar Agreement (as varied by the relevant Amendment).

For the avoidance of doubt and without prejudice to the generality of Clause 5.6, in the event that Amarin does not exercise the Option (as defined in the Zelapar Agreement), or the amount under Section 7.2(a) of the Zelapar Agreement otherwise does not become payable for any reason, Amarin shall not be entitled to any refund of amounts paid under Clause 5.1.1.

5.5. Effect on Permax Agreement:

Any payment made by Amarin to EP Inc under Clause 5.1.2 shall be credited first against the last payments in time under Section 3.01(c) of the Permax Agreement with the intention and effect that the Net Proceeds shall be used to accelerate the payments due to EP Inc.

5.6. No Refund:

Payments made to Elan under this Clause 5 shall be non-refundable and shall not be subject to any future performance obligations of Elan to Amarin or applicable against any future services provided from Elan to Amarin.

6. USE OF PROCEEDS OF FURTHER FINANCING

6.1. Application of Proceeds:

In the event that at any time or times prior to the payment in full of:

(a) the Total Divestiture Amount (as defined in the Permax Agreement);

(b) the Deferred Payment (as defined in the Carnrick Agreement); and

(c) the Loan (as defined in the Loan Agreement)

(together the "OUTSTANDING AMOUNTS") -

Amarin acquires Further Equity Financing, Amarin shall within 5 (five) business days of its receipt of Net Proceeds of such Further Equity Financing, pay EP Inc and/or EPIL, as the case may be, from such Net Proceeds an amount equal to the lesser of (i) one half of the Net Proceeds of such Further Equity Financing and (ii) the balance of the Outstanding Amounts, in each case in partial or total discharge of the Outstanding Amounts.

6.2. Order of Application:

The Net Proceeds paid pursuant to Clause 6.1 shall be applied as between the components of the Outstanding Amounts in such manner as Elan may direct. In the absence of a direction by Elan, Amarin shall apply such sums in the order set out in Clause 6.1.

6.3. Effect of Payments:

6.3.1 Sums paid pursuant to Clause 6.1 in partial discharge of the Total Divestiture Amount shall be credited in the manner provided in the Permax Agreement, that is to say against the latest payments in time due under Section 3.01(c) thereof first.

6.3.2 Sums paid pursuant to Clause 6.1 in partial discharge of the Loan shall be treated as prepayments under the Loan Agreement, that is to say against the earliest payments in time due first. Solely for this purpose, EPIL waives the minimum prepayment amount.

6.4. No Conflict With Permax Agreement:

In the event of any conflict between this Agreement and the Permax Agreement, the provisions of this Agreement shall prevail.

7. INVESTOR RELATIONS PROGRAM

Forthwith after the date of this Agreement, Amarin shall proactively initiate and thereafter diligently pursue an investor relations programme to endeavour to raise the profile of its ADRs.

8. REPRESENTATIONS AND WARRANTIES

8.1. Amarin represents and warrants to Elan that:

8.1.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and

perform its obligations under this Agreement, the Amendments, the subscription agreements and registration rights agreements contemplated by the PPM and any ancillary documents pertaining to the Refinancing (together "TRANSACTION DOCUMENTS"), and its obligations under the Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

8.1.2 the PPM together with the Transaction Documents sets out the entirety of the Refinancing; there are no other agreements, representations or understandings (written or oral) to which it is a party, or of which it is aware, pertaining to the Refinancing or conditional upon the Refinancing, other than a Share Purchase Agreement between EIS and certain investors in the Refinancing; the Refinancing is not conditional upon any act of Amarin, Elan, a party thereto, or any third party (other than the execution of this Agreement and/or the Amendments), or upon or any other contingency including the passage of time;

8.1.3 there are no agreements between Amarin and any third party that conflict with the Transaction Documents;

8.1.4 other than registration with the U.S. Securities and Exchange Commission as contemplated by the Registration Rights Agreement entered into in connection with the Refinancing and the Agreement listed as item (4) in Part B of Schedule 1, it does not require any further consents or approvals to consummate the transaction contemplated by the Transaction Documents including:

8.1.4.1 approval of its shareholders; or

8.1.4.2 approval of NASDAQ.

8.1.5 as of the date hereof, neither Amarin nor any of its Affiliates has any indebtedness, secured or unsecured, outstanding to any third party other than Permitted Indebtedness (as defined in the Loan Agreement);

8.1.6 the Panel of Takeovers and Mergers in London has confirmed to Amarin that the transaction constituted by the Transaction Documents is approved (including without any necessity for Elan to make any mandatory bid for the whole or any portion of Amarin's shares).

8.2. Elan represents and warrants to Amarin that:

8.2.1 it has the right, power, capacity and authority and has taken all action necessary to authorise it to execute and deliver and to exercise its rights and perform its obligations under this Agreement and the Amendments (together "ELAN TRANSACTION DOCUMENTS"), and its obligations under the Elan Transaction Documents are valid, legally binding and enforceable according to their terms, including obtaining all necessary approvals and consents from its shareholders and any third parties;

8.2.2 there are no agreements between Elan and any third party that conflict with the Elan Transaction Documents;

8.2.3 it does not require any further consents or approvals to consummate the transaction contemplated by the Elan Transaction Documents including:

8.2.3.1 approval of its shareholders; or

8.2.3.2 approval of the New York Stock Exchange

9. MISCELLANEOUS

9.1. Confidentiality:

Except as provided in or anticipated by this Agreement, each party shall at all times during the continuance of this Agreement use its respective best endeavours to keep the contents of this Agreement and the Amendments confidential and accordingly shall not disclose details of the contents of this Agreement or the Amendments to any other person other than on a confidential basis, it being acknowledged that Amarin may disclose the existence and terms of this Agreement and the Transaction Documents to the investors in connection with the Refinancing.

9.2. Announcements:

Subject to Clause 9.3, no announcement or public statement concerning the existence, subject matter or any term of this Agreement shall be made by or on behalf of any party hereto without the prior written approval of the other party (Elan Corp in the case of Elan).

The terms of any such announcement shall be agreed in good faith by the parties.

9.3. Required Disclosures:

A party (the "DISCLOSING PARTY") will be entitled to make an announcement or public statement concerning the existence, subject matter or any term of this Agreement, or to disclose Confidential Information that the Disclosing Party is required to make or disclose pursuant to:

9.3.1 a valid order of a court or Governmental Authority; or

9.3.2 any other requirement of law, regulation or any securities market or stock exchange;

provided that if the Disclosing Party becomes legally required to make such announcement, public statement or disclosure hereunder, the Disclosing Party shall give the other party or parties hereto prompt notice of such fact to enable the other party or parties hereto to seek a protective order or other appropriate remedy concerning any such announcement, public statement or disclosure.

The Disclosing Party shall fully co-operate with the other party or parties hereto in connection with that other party's or parties' efforts to obtain any such order or other remedy.

If any such order or other remedy does not fully preclude announcement, public statement or disclosure, the Disclosing Party shall make such announcement, public statement or disclosure only to the extent that the same is legally required.

9.4. Assignment:

9.4.1 Elan may assign this Agreement to any lawful assignee of the Existing Agreements as amended by the Amendments.

9.4.2 Amarin shall not assign this Agreement without the prior written consent of Elan.

9.5. Parties bound:

This Agreement shall be binding upon and enure for the benefit of parties hereto, their successors and permitted assigns.

9.6. Severability:

If any provision in this Agreement is deemed to be, or becomes invalid, illegal, void or unenforceable under applicable laws:-

9.6.1 such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable; or

9.6.2 if it cannot be so amended without materially altering the intention of the parties, it will be deleted the validity, legality and enforceability of the remaining provisions of this Agreement shall not be impaired or affected in any way.

9.7. Relationship of the parties:

9.7.1 Nothing contained in this Agreement is intended or is to be construed to constitute any of the parties hereto as partners or members of a joint venture or any party as an employee of another party.

9.7.2 No party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other party or to bind another party to any contract, agreement or undertaking with any third party.

9.8. Amendments:

No amendment, modification or addition hereto shall be effective or binding on any party hereto unless set forth in writing and executed by a duly authorised representative of all parties hereto.

9.9. Waiver:

No waiver of any right under this Agreement shall be deemed effective unless contained in a written document signed by the party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this Agreement.

9.10. Entire agreement:

9.10.1 Each of the parties hereto hereby acknowledges that in entering into this Agreement it has not relied on any representation or warranty except as expressly set forth herein or in any document referred to herein.

9.10.2 This Agreement and the Amendments together set forth all of the agreements and understandings between the parties with respect to the subject matter hereof, and supersedes and terminates all prior agreements and understandings between the parties with respect to the subject matter hereof. There are no agreements or understandings with respect to the subject matter hereof, either oral or written, between the Parties other than as set forth in this Agreement.

9.10.3 Nothing in this Clause 9.10 shall exclude any liability which any party would otherwise have to the other party or any right which either of them may have

to rescind this Agreement in respect of any statements made fraudulently by the other prior to the execution of this Agreement or any rights which either of them may have in respect of fraudulent concealment by the other.

9.11. Governing law and jurisdiction:

9.11.1 This Agreement shall be governed by and construed in accordance with English law.

9.11.2 For the purposes of this Agreement the parties submit to the jurisdiction of the English courts.

9.12. Notice:

9.12.1 Any notice to be given under this Agreement shall be sent in writing in English by registered or recorded delivery post, reputable overnight courier or fax to:

Elan at

Elan International Services Ltd.
102 St. James Court
Flatts,
Smiths FL04
Bermuda

Attention: Secretary
Fax: +1 441 292 2224

Amarin at

7 Curzon Street
London
W1J 5HG
England

Attention: General Counsel & Company Secretary
Fax: +44 20 7499 9004

or to such other address(es) and fax numbers as may from time to time be notified by either party to the other hereunder.

9.12.2 Any notice sent by mail shall be deemed to have been delivered within 7 working days after despatch or delivery to the relevant courier and any notice sent by fax shall be deemed to have been delivered upon confirmation of receipt. Notice of change of address shall be effective upon receipt.

9.13. Further assurances:

At the request of any of the parties, the other party or parties shall (and shall use reasonable efforts to procure that any other necessary third parties shall) execute all such documents, and so all such acts and things as may reasonably be required subsequent to the signing of this Agreement for assuring to or vesting in the requesting party the full benefit of the terms hereof.

Additionally, to the extent that the consent of RP Scherer Corporation may be needed to Amendment number (3) in Part B of Schedule 1, and/or to effect the transaction thereby contemplated, the parties shall reasonably cooperate with each other with a view to securing such consent and further (at Elan's option) Amarin shall use its best efforts to secure such consent.

9.14. Counterparts:

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

9.15. Contracts (Rights of Third Parties) Act 1999:

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof the parties have executed this Agreement on the date first above written.

SCHEDULE 1 EXISTING AGREEMENTS AND AMENDMENTS

PART A - EXISTING AGREEMENTS

(1) Loan Agreement dated 28 September 2001 between Amarin and EPIL, as varied by (i) a Deed of Variation dated 19 July 2002 and (ii) a Deed of Variation No. 2 dated 23 December 2002.

(2) Amended and Restated Distribution, Marketing and Option Agreement dated 28 September 2001 (which agreement concerned the product Permax), by and between EP Inc and Amarin.

(3) Amended and Restated Asset Purchase Agreement dated as of 29 September 1999 (which agreement concerned certain products known as the "Carnrick products") by and between EP Inc and Amarin, as varied.

(4) Option Agreement dated 28 June 2001 (which agreement concerned the product Zelapar), between EPIL and Amarin.

(5) Registration Rights Agreement dated as of 21 October 1998 between Amarin (sub. former name Ethical Holdings plc) and Monksland.

PART B - AMENDMENTS

(1) Deed of Variation No. 3 relating to the Loan Agreement dated 28 September 2001 as amended by Deed of Variation dated 19 July 2002, between Amarin and EPIL.

(2) Deed of Variation relating to the Amended and Restated Distribution, Marketing and Option Agreement dated 28 September 2001 (which agreement concerned the product Permax), between EP Inc and Amarin.

(3) Deed of Variation relating to the Option Agreement dated 28 June 2001 (which agreement concerned the product Zelapar), between EPIL and Amarin.

(4) Agreement between Amarin, Monksland and EIS relating to the conversion of preference shares and certain restrictions on dealing.

(5) Amendment No. 1 to Registration Rights Agreement And Waiver relating to the Registration Rights Agreement dated as of 21 October 1998, between Amarin, Monksland and EIS.

Each of which is attached hereto and is in final and definitive form.

SCHEDULE 2 REFINANCING

The Refinancing is set out in detail in the PPM and involves Amarin raising at least US$17.5 million and a maximum of US$30 million through the sale to investors of ordinary shares of Pound Sterling 1 each. These securities will be priced at a per share price equal to 90% of the average closing prices of Amarin's ADSs on the Nasdaq National Market over the five trading days ending on the trading day immediately before the closing date of the Refinancing. The minimum investment by an investor is US$500,000. Amarin may, however, agree to accept less than the minimum investment.

SIGNED

/s/ William Daniel
For and on behalf of
ELAN CORPORATION, PLC.

SIGNED

/s/ William Daniel
For and on behalf of
ELAN PHARMA INTERNATIONAL LIMITED

SIGNED

/s/ Kevin Insley
For and on behalf of
ELAN INTERNATIONAL SERVICES, LTD.

SIGNED

/s/ Michael Pagnotta
For and on behalf of
ELAN PHARMACEUTICALS, INC.

SIGNED

/s/ Pieter Bosse and Klass Van Blanken
For and on behalf of
MONKSLAND HOLDINGS BV

SIGNED

/s/ Richard Stewart
For and on behalf of
AMARIN CORPORATION PLC.

Exhibit 4.21

DATED 2003

WARRANT AGREEMENT

between

AMARIN CORPORATION PLC

and

[o]

THE WARRANT DESCRIBED HEREIN HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS. SUCH WARRANT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND REGISTERED OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS OR (B) AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS IS AVAILABLE. AS A CONDITION TO PERMITTING ANY TRANSFER OF SUCH WARRANT, THE COMPANY MAY REQUIRE THAT IT BE FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION OR QUALIFICATION IS LEGALLY REQUIRED FOR SUCH TRANSFER.

THIS WARRANT AGREEMENT is made on [o] 2003

PARTIES:

(1) Amarin Corporation plc, a public company organized under the laws of England and Wales, having its principal place of business at 7 Curzon Street, London W1J 5HG, England (the "Company"); and

(2) [o] (the "Holder").

WHEREAS:

(A) Securities Research Associates, Inc. ("SRA") assisted the Company in the Company's private placement of the Company's ordinary shares, par value Pound Sterling 1 per share ("Ordinary Shares"), which was completed on 27 January 2003 at a price per Ordinary Share of US$ 3.4785.

(B) In partial consideration of such services, SRA has requested that the Company, and the Company has agreed to, subject to the terms and conditions hereof, grant the Holder the right to subscribe for [o] Ordinary Shares at a fixed price per share of US$ 3.4785.

(C) This Warrant Agreement is intended to take effect as a deed.

IT IS AGREED as follows:

1. PURCHASE RIGHTS

(a) The Holder shall, upon the terms and subject to the conditions hereinafter set forth, at any time, and from time to time, on or after January 27, 2004 and at or prior to the Expiration Time (as defined below), but not thereafter, have the right (the "Warrant") to subscribe for up to [o] fully paid new Ordinary Shares at a subscription price equal to US$ 3.4785 per share (the "Exercise Price"). Such number of Ordinary Shares, type of security and Exercise Price are subject to adjustment as provided herein, and all references to "Ordinary Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

(b) The Exercise Price shall not be less than the nominal amount per share for the time being of the Ordinary Shares and, in the event that the Pounds Sterling equivalent of the Exercise Price at the close of business on the date upon which the Company receives payment for value of the aggregate Exercise Price in respect of Ordinary Shares subscribed pursuant to an exercise of the Warrant is less than the nominal amount of an Ordinary Share, the Exercise Price in respect of each Ordinary Share so subscribed shall be increased to an amount in Pounds Sterling equal to such nominal amount or its equivalent in any other currency.

(c) The Company undertakes that upon exercise of the Warrant by the Holder in accordance with the terms and conditions set forth below it shall issue and deliver to the Holder in accordance with the terms and conditions set forth herein free of charge a share certificate or certificates in respect of the Ordinary Shares issued pursuant to such exercise of the Warrant.

2. TERMINATION AND EXPIRATION

If not earlier exercised, the Warrant shall expire on the earliest to occur of (i) 5:00 p.m. (London, England time) January 26, 2008, and (ii) the consummation of a merger or consolidation with or into another person by the Company or the transfer (whether in one transaction or in a series of transactions) of all or substantially all of the Company's assets (whenever acquired) (such earliest date, the "Expiration Time").

3. EXERCISE OF WARRANT

The Warrant may be exercised in whole or in part on any one or more occasions. In order to exercise its Warrant in whole or in part, the Holder must, not earlier than January 28, 2004 and not later than the Expiration Time, deliver to the Company a completed and duly executed Notice of Exercise in the form attached at Schedule 1 hereto, at the Company's address described in Section 16, accompanied by payment in full of the aggregate Exercise Price for the Ordinary Shares thereby subscribed (by cash or by check or bank draft payable to the order of the Company in an amount equal to such aggregate Exercise Price); whereupon the Holder shall be entitled to be issued the number of Ordinary Shares so subscribed and receive from the Company a share certificate in proper form representing such Ordinary Shares, and this Warrant Agreement shall be deemed amended in that the Warrant shall thereupon represent the right to subscribe that number of Ordinary Shares equal to the difference, if any, between the number of Ordinary Shares subject thereto immediately prior to such exercise and the number of Ordinary Shares as to which the Warrant is so exercised.

4. ISSUANCE OF SHARES

Ordinary Shares subscribed upon an exercise of the Warrant shall be issued to the Holder and a certificate in respect thereof shall be dispatched to the Holder promptly after the date on which the Warrant shall have been exercised in accordance with the terms hereof. No fraction of an Ordinary Share will be issued on the exercise of the Warrant and no refund will be made to the Holder in respect of any monies paid by the Holder which represents such a fraction (if any).

5. CHARGES, TAXES AND EXPENSES

Issuance of certificates in respect of Ordinary Shares upon the exercise of the Warrant shall be made without charge to the Holder for any issue or transfer tax, stamp duty or other incidental expense in respect of the issuance of such

certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder.

6. RIGHTS AS SHAREHOLDER

The Holder shall not be entitled to vote upon any matter submitted to shareholders of the Company at any meeting thereof, or to receive notice of such meetings, or be deemed the holder of Ordinary Shares until the Warrant shall have been exercised in whole or in part and the Ordinary Shares subscribed for upon such exercise shall have been issued to the Holder, as provided herein. Ordinary Shares issued pursuant to the exercise of the Warrant will not rank for any dividends or other distributions declared, paid or made by reference to a record date prior to the date upon which they are issued but, subject thereto, will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares in respect of the then current financial year and pari passu in all other respects with the Ordinary Shares in issue on such issue date.

7. TRANSFER RESTRICTIONS

(a) The exercise of the Warrant by the Holder will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or not requiring to comply with) the securities laws of the United States (including, without limitation, the United States Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act (the "Commission") promulgated thereunder (the "Securities Act")) or any other applicable securities laws.

(b) The Holder understands that (i) the Warrant and the Ordinary Shares which may be issued upon exercise thereof have not been registered under the Securities Act or the securities laws of any state or other jurisdiction in reliance upon exemptions, including an exemption pursuant to Rule 506 under the Securities Act, from such registration requirements for non-public offerings; (ii) the Warrant and the Ordinary Shares which may be issued upon exercise thereof may not be re-offered, resold, pledged or otherwise transferred unless they have been first registered under the Securities Act and all applicable state securities laws, or unless exemptions from such registration provisions are available with respect to said resale or transfer; and (iii) except as set forth in Section 8 hereof, the Company is under no obligation to register the Warrant or the Ordinary Shares which may be issued upon exercise thereof under the Securities Act or any state securities laws, or to take any action to make any exemption from any such registration provisions available.

(c) The Holder understands and agrees that each certificate or other document evidencing the Warrant or any of the Ordinary Shares which may be issued upon exercise of the Warrant shall be endorsed with a legend in substantially the form

set forth below as well as any other legends required by applicable law, and the Holder covenants that the Holder shall not transfer the securities represented by any such certificate without complying with the restrictions on transfer described in the legends endorsed on such certificate or other document:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND REGISTERED OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS OR (B) AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS IS AVAILABLE. AS A CONDITION TO PERMITTING ANY TRANSFER OF THESE SECURITIES, THE COMPANY MAY REQUIRE THAT IT BE FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION OR QUALIFICATION IS LEGALLY REQUIRED FOR SUCH TRANSFER.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITIES MAY NOT BE DEPOSITED INTO ANY DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SECURITIES ESTABLISHED UNLESS AND UNTIL SUCH TIME AS A REGISTRATION STATEMENT IS IN EFFECT AS TO SUCH SECURITIES UNDER THE SECURITIES ACT OR UNLESS THE OFFER AND SALE OF SUCH SECURITIES IS EXEMPT FROM REGISTRATION UNDER THE PROVISIONS OF THE SECURITIES ACT.

(d) The Holder may not sell, assign, transfer, pledge or otherwise encumber either voluntarily or by operation of law any of its rights or obligations (including the Warrant) under this Warrant Agreement without the prior written consent of the Company.

8. REGISTRATION RIGHTS

(a) As used in this Section 8, the following terms shall have the following respective meanings:

(i) "Blackout Period" shall mean, with respect to a registration statement, a period or periods not in excess of an aggregate 90 calendar days in any calendar year during which the Company, in the good faith judgment of its Board of Directors, determines (because of the existence of, or in anticipation of, any acquisition, financing activity, or other transaction involving the Company, or the unavailability for reasons beyond the Company's control of any required financial statements, disclosure of

information which is in its best interest not to publicly disclose, or any other event or condition of similar significance to the Company) that the registration and distribution of the Registrable Securities to be covered by such registration statement, if any, would be seriously detrimental to the Company and its shareholders.

(ii) "EIS Registration Rights Agreement" shall mean that certain Registration Rights Agreement, dated as of October 21, 1998, by and among the Company, f/k/a Ethical Holdings plc, and Monksland Holdings B.V. ("Monksland"), as amended by Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Company, Monksland and Elan International Services, Ltd. ("EIS").

(iii) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

(iv) "Investors' Registration Rights Agreement" shall mean that certain Registration Rights Agreement, dated as of January 27, 2003, by and among the Company and the parties set forth on the signature pages thereto.

(v) The terms "register", "registered" and "registration" refers to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

(vi) "Registrable Securities" shall mean Ordinary Shares issued to the Holder pursuant to the Holder's exercise of its Warrant in accordance with the terms and provisions of this Warrant Agreement, excluding (A) any such Ordinary Shares that have been publicly sold or may be sold immediately without registration under the Securities Act either pursuant to Rule 144 of the Securities Act or otherwise; (B) any such Ordinary Shares sold by a person in a transaction pursuant to a registration statement filed under the Securities Act or (C) any such Ordinary Shares that are at the time subject to an effective registration statement under the Securities Act.

(b) Subject to the terms and conditions hereof, as promptly as reasonably practicable after the date hereof, but in any event not later than April 24, 2003, the Company shall use its reasonable efforts to file a shelf registration statement on Form F-1 or, if the Company is eligible to use such form, Form F-3 relating to the resale by the Holder of the Registrable Securities from time to time in accordance with the methods of distribution set forth in such registration statement and Rule 415 under the Securities Act; provided, however, that the Company shall not be obligated to effect any such registration pursuant to this Section 8, or to keep such registration effective pursuant to this Section 8, during any Blackout Period or if the means of distribution involves an underwritten offering; and provided further, that if the

Company does not meet the eligibility requirements to use such Form F-1 or F-3, it shall instead use its reasonable efforts to file a shelf registration statement on Form S-1 or S-3, as the case may be. The Holder hereby acknowledges that any registration statement filed pursuant to this Section 8 will include Ordinary Shares held by other shareholders of the Company.

(c) In the case of the registration effected by the Company pursuant to Section 8 hereof, the Company will keep the Holder reasonably advised in writing as to the initiation of each registration and as to the completion thereof. Subject to the terms and conditions hereof, at its expense with respect to any registration statement filed pursuant to Section 8, the Company will use its reasonable efforts to:

(i) prepare and file with the Commission with respect to such Registrable Securities a shelf registration statement on Form F-1 (or S-1, as the case may be) or, if the Company is eligible to use such form, Form F-3 (or S-3, as the case may be), and use its reasonable efforts to cause such registration statement to become and remain effective until the earliest of (A) two years from the date the registration statement is declared effective by the Commission and (B) the date on which (1) all Ordinary Shares of EIS and Monksland included in such registration statement have either been sold or registered by means of a registration statement requested by EIS and Monksland pursuant to the EIS Registration Rights Agreement and (2) all other Ordinary Shares included in such registration statement (including the Registrable Securities) have either been sold or are eligible to be immediately, freely resold without restriction under Rule 144 under the Securities Act (the "Effectiveness Period");

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective during the Effectiveness Period;

(iii) furnish, without charge, to the Holder of Registrable Securities covered by such registration statement one signed copy of such registration statement (excluding any exhibits thereto other than applicable underwriting documents), each amendment and supplement thereto (including one conformed copy to the Holder, including all exhibits thereto), and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any other prospectus filed under Rule 424 under the Securities Act) as the Holder may reasonably request, in conformity with the requirements of the Securities Act;

(iv) register or qualify such Registrable Securities under such other applicable securities or blue sky laws of such jurisdictions as the Holder of Registrable Securities covered by such registration statement reasonably requests as may be necessary for the marketability of the Registrable

Securities (such request to be made not more than ten days after the applicable registration statement is filed with the Commission) and do any and all other acts and things which may be reasonably necessary or advisable to enable the Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by the Holder; provided that the Company shall not be required to (A) qualify generally to do business in any particular jurisdiction in which the Company would be required to qualify to do business as a foreign corporation or as a dealer in securities under the securities or blue sky laws of such jurisdiction or to execute a general consent to service of process in effecting such registration, qualification or compliance, in each case where it has not already done so, or (B) subject itself to taxation in any such jurisdiction, or (C) consent to general service of process in any such jurisdiction;

(v) promptly notify the Holder of such Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event which comes to the Company's attention if as a result of such event the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading and the Company shall promptly prepare and furnish to the Holder a supplement or amendment to such prospectus (or prepare and file appropriate reports under the Exchange Act) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, unless suspension of the use of such prospectus otherwise is authorized herein or in the event of a Blackout Period, in which case no supplement or amendment need be furnished (or Exchange Act filing made) until the termination of such suspension or Blackout Period; and

(vi) comply, and continue to comply during the period that such registration statement is effective under the Securities Act, in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission with respect to the disposition of all securities covered by such registration statement, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

The Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 8(c)(v) hereof or of the commencement of a Blackout Period, the Holder shall discontinue disposition of Registrable Securities pursuant to the registration statement covering such

Registrable Securities until the Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 8(c)(v) hereof or notice of the end of the Blackout Period, and, if so directed by the Company, the Holder shall deliver to the Company (at the Company's expense) all copies (including, without limitation, any and all drafts), other than permanent file copies, then in the Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

(d) The Company shall pay all expenses in connection with any registration, including, without limitation, all registration, filing, stock exchange and NASD fees, printing expenses, all fees and expenses of complying with securities or blue sky laws, the fees and disbursements of counsel for the Company and of its independent accountants. In addition, should the Holder determine to retain such counsel, reasonably acceptable to the Company, as may be selected by the holders of a majority of the Registrable Securities (as such term is defined in the Investors' Registration Rights Agreement) included in such registration statement pursuant to Section 4 of the Investors' Registration Rights Agreement to represent the Holder in connection with the registration of the Registrable Securities hereunder (the "Holders Counsel"), then the Company shall pay the reasonable fees of the Holders Counsel; provided, however, that the fees and disbursements of Holders' Counsel payable by the Company with respect to the Holders Counsel's representation of the Holder and the all other selling shareholders under the registration statement shall not exceed in the aggregate $10,000. Except as provided in this Section 8, the Company shall not be responsible for the expenses of any attorney or other advisor employed by the Holder of Registrable Securities.

(e) The Holder of Registrable Securities included in any registration shall furnish to the Company in a timely manner such information regarding the Holder and the distribution proposed by the Holder as the Company may from time to time reasonably request in writing. The Holder shall not be entitled to be named as a selling security holder in a registration statement or have its Registrable Securities included therein, and the Holder shall not be entitled to use the prospectus forming a part thereof for resales of Registrable Securities at any time, unless the Holder has furnished such information within a reasonable time after receiving such a request.

(f) Indemnification.

(i) In the event of the offer and sale of Registrable Securities held by the Holder under the Securities Act, the Company shall, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, the Holder, its directors, officers, partners and each person, if any, who controls or is under common control with the Holder within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, and expenses to which the Holder or any such director, officer, partner or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages,

liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such shares were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances in which they were made not misleading, and the Company shall reimburse the Holder, and each such director, officer, partner and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding; provided that (A) the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company or through an instrument duly executed by or on behalf of the Holder specifically stating that it is for use in the preparation thereof, and (B) the foregoing indemnity with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, shall not inure to the benefit of the Holder (or any person controlling the Holder) from whom the person asserting any such losses, claims, damages, liabilities or expenses purchased the securities concerned, to the extent that a prospectus (as then amended or supplemented) relating to such securities was required by law to be delivered to such person under the Securities Act and the Holder failed to send or give to such person a copy of the prospectus (as then amended or supplemented) if the Company had previously furnished copies thereof to the Holder and if the prospectus (as then amended or supplemented) would have cured the defect giving rise to such loss, claim, damage, liability or expense. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holder, or any such director, officer, partner or controlling person and shall survive the transfer of such shares by the Holder.

(ii) The Holder shall, and hereby does, indemnify and hold the Company, its directors and officers and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or controlling person may become subject under the Securities Act or otherwise, insofar as such

losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information about the Holder as the Holder furnished to the Company, and the Holder shall reimburse the Company, and each such director, officer, partner and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer by the Holder of such shares.

(iii) Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 8(f)(i) or (ii) hereof (including any governmental action), such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 8(f)(i) or (ii) hereof, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest between such indemnified and indemnifying parties may exist or the indemnified party may have defenses not available to the indemnifying party in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties arises in respect of such claim after the assumption of the defenses thereof or the indemnifying party fails to defend such claim in a diligent manner, other than reasonable costs of investigation. Neither an indemnified nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent which shall not be unreasonably withheld. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the

giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party shall have the right to retain, at its own expense, counsel with respect to the defense of a claim.

(iv) In the event that an indemnifying party does or is not permitted to assume the defense of an action pursuant to Section 8(f)(iii) or in the case of the expense reimbursement obligation set forth in Section 8(f)(i) or (ii), the indemnification required by Sections 8(f)(i) and (ii) hereof shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expenses, losses, damages, or liabilities are incurred.

(v) If the indemnification provided for in this Section 8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, (A) shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense as is appropriate to reflect the proportionate relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (B) if the allocation provided by clause (A) above is not permitted by applicable law, the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense as is appropriate to reflect not only the proportionate relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

(vi) Indemnification similar to that specified in the preceding subsections of this Section 8(f) (with appropriate modifications) shall be given by the Company and the Holder of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

9. SATURDAYS, SUNDAYS AND HOLIDAYS

If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday or a Sunday or shall be a bank holiday, then such action may be taken or such right may be exercised on the next succeeding business day.

10. ADJUSTMENT TO NUMBER AND TYPE OF SECURITIES, EXERCISE PRICE

The type and number of securities of the Company which may be issued upon exercise of the Warrant and the Exercise Price are subject to adjustment as set forth below:

(a) The Exercise Price and the number and type of securities or other property which may be issued upon exercise of the Warrant shall be appropriately and proportionately adjusted to reflect any share dividend, combination of shares, reclassification, capitalization of profits or reserves, consolidation, redemption or other similar event affecting the number or character of Ordinary Shares outstanding, so that the number and type of securities or other property which may be issued upon exercise of the Warrant shall be equal to that which would have been issued with respect to the number of Ordinary Shares subject to such Warrant at the time of such event, had such Ordinary Shares then been outstanding.

(b) In case of any adjustment in the Exercise Price or number and type of securities which may be issued upon exercise of the Warrant, the Company will promptly give written notice thereof to the Holder and this Warrant Agreement shall be deemed amended to reflect such adjustment.

11. NOTICES OF RECORD DATE, ETC.

In the event of:

(a) any taking by the Company of a record of the holders of Ordinary Shares for the purpose of determining the holders who are entitled to receive any dividend or other distribution,

(b) any capital reorganization of the Company, any reclassification or recapitalization of the share capital of the Company, or any transfer of all or substantially all the assets of the Company to, or consolidation or merger of, the Company with or into any person,

(c) any compulsory or voluntary winding-up, or liquidation of the Company, or

(d) a sale of substantially all of the outstanding share capital of the Company or the issuance of new shares representing the majority of the Company's right to vote,

then and in each such event the Company will mail to the Holder a notice specifying the record date for voting or the date of closing, as applicable, of any event described in (a) through (d) above. Where practicable such notice shall be delivered to the Holder at least 10 days prior to the date of the relevant event.

12. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents, warrants and agrees that:

(a) during the period the Warrant is outstanding, the Company will keep available for issue sufficient authorized but unissued share capital to provide for the issuance of Ordinary Shares upon the exercise of the Warrant;

(b) this Warrant Agreement shall constitute full authority to the Company's directors who are charged with the duty of executing share certificates to execute and issue the necessary certificates for the Ordinary Shares which may be issued upon exercise of the Warrant;

(c) the Company has all requisite legal and corporate power to execute and deliver this Warrant Agreement, to sell and issue the Ordinary Shares hereunder, and to carry out and perform its obligations under the terms of this Warrant Agreement;

(d) all corporate action on the part of the Company, its directors and shareholders necessary for the authorization, execution, delivery and performance of this Warrant Agreement by the Company, the authorization, sale, issuance and delivery of the Ordinary Shares and the performance of the Company's obligations hereunder has been taken;

(e) the Ordinary Shares, when issued in compliance with the provisions of this Warrant Agreement, will be validly issued, fully paid and free of any liens or encumbrances, and will be issued in compliance with all applicable laws; and

(f) the issuance of the Ordinary Shares will not be subject to any preemptive rights, rights of first refusal or similar rights.

13. REPRESENTATIONS AND WARRANTIES OF THE HOLDER

The Holder hereby represents, warrants and agrees that:

(a) The Holder is an "accredited investor," as such term is defined in Section 501(a) of Regulation D of the Rules and Regulations promulgated under the Securities Act, under one or more of the categories as set forth on the attached Schedule 2 "Regulation D Qualification Statement."

(b) The Holder is acquiring the Warrant and purchasing the securities which may be issued upon exercise of the Warrant solely for investment purposes, for the Holder's own account, not as a nominee or agent, and not with a view to the

resale or distribution of any of such securities, except in accordance with applicable securities laws.

(c) The Holder (i) was not organized or reorganized for the purpose of acquiring the Warrant and purchasing the securities which may be issued upon exercise of the Warrant, and (ii) is authorized, empowered and qualified to execute this Warrant Agreement and to make the commitment as herein contemplated.

(d) The Holder has such knowledge and experience in financial and business matters that the Holder is capable of evaluating the merits and risks of the investment in the Warrant and the securities which may be issued upon exercise thereof and the Holder has made its own investment decision regarding the Warrant and the securities which may be issued upon exercise thereof based on the Holder's own knowledge and investigation of the Company and the Ordinary Shares.

(e) The Holder acknowledges that all documents, records and books pertaining to the investment in the Company and requested by the Holder have been made available or delivered to the Holder.

(f) The Holder has (i) been offered the opportunity to ask questions of and receive answers from the Company, or a person or persons acting on behalf of the Company, concerning the terms and conditions of the Warrant and the business of the Company, (ii) been furnished all other materials which the Holder considered relevant to an investment in the Ordinary Shares and (iii) been given the opportunity to perform due diligence. The Holder acknowledges that all such questions, if any, have been answered, and all due diligence (if any) has been performed, to the full satisfaction of the Holder.

(g) The Holder has read this Warrant Agreement and, to the extent the Holder believed necessary, has discussed the representations, warranties and agreements that the undersigned makes by signing this Warrant Agreement and the applicable limitations upon the Holder's transfer or resale of its rights hereunder and the Ordinary Shares with its counsel.

(h) The execution, delivery and performance by the Holder of this Warrant Agreement are within the powers of the Holder, have been duly authorized and will not constitute or result in a breach or default under or conflict with any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which the Holder is a party or by which the Holder is bound, and will not violate any provisions of the incorporation papers, by-laws, indenture of trust or partnership agreement, as may be applicable, of the Holder. This Warrant Agreement constitutes a legal, valid and binding obligation of the Holder, enforceable in accordance with its terms.

(i) The Holder agrees to advise the Company promptly of any changes or inaccuracies in the information provided to the Company that may occur prior to

the Expiration Time and to furnish supplementary information as may be appropriate.

14. ENTIRE AGREEMENT

This Warrant Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Warrant Agreement and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, relating to or in connection with this Warrant Agreement provided that nothing in this Warrant Agreement shall limit a party's liability for fraudulent misrepresentation.

15. COUNTERPARTS

This Warrant Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same Warrant Agreement. Unless otherwise provided in this Warrant Agreement, this Warrant Agreement shall become effective and be dated (and each counterpart shall be dated) on the date on which this Warrant Agreement (or a counterpart of this Warrant Agreement) is signed by the last of the parties to execute this Warrant Agreement or, as the case may be, a counterpart hereof. This Warrant Agreement may be executed by either party by the delivery by such party by facsimile of a copy of the signature page of this Warrant Agreement, duly executed by such party. Any copy of this Warrant Agreement so executed by facsimile shall be deemed to be an originally executed copy of this Warrant Agreement.

16. NOTICES

Any notice, demand or other communication given or made under or in connection with the matters contemplated by this Warrant Agreement shall be in writing in English and shall be delivered personally or sent by fax, reputable overnight courier or prepaid first class post (air mail if posted to or from a place outside the United Kingdom):

In the case of the Company, to:

Amarin Corporation plc
7 Curzon Street
London W1J 5HG
England
Fax: +44 (0) 20 7499 9004
Attention: Mr. Jonathan Lamb, General Counsel & Company Secretary

In the case of [o], to:

[o]

[o]
[o]
[o]
Fax: [o]
Attention: [o]

(or such other address as a party may notify to the other by written notice) and shall be deemed to have been duly given or made as follows:

(i) if personally delivered or delivered by reputable overnight courier, upon delivery at the address of the relevant party on a business day in the destination location;

(ii) if sent by first class post, on the tenth business day in the destination location after date of posting;

(iii) if sent by fax, when dispatched on a business day in the destination location;

provided that if, in accordance with the above provision, any such notice, demand or other communication would otherwise be deemed to be given or made after 5.00 p.m. at the destination location such notice, demand or other communication shall be deemed to be given or made at 9.00 a.m. on the next business day in such location.

17. THIRD PARTY RIGHTS

(a) The Company's directors and officers and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act (as defined in Section 7) (the "Third Parties") shall have the benefit of the rights conferred by Section 8(g) (the "Third Party Rights") which shall be enforceable by the Third Parties in accordance with the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act"), subject to this Section 17. In the event of any conflict between the Third Parties Act (including, for the avoidance of doubt, any judicial interpretation of that Act) and the remainder of this Section 17, this Section 17 shall prevail.

(b) The Company may exercise Third Party Rights in all respects on behalf of any Third Party at the Company's sole discretion as if the Company were such Third Party. All Third Party Rights (including, without limitation, enforcement rights) are exercisable against the Holder only indirectly, through the Company in accordance with this Section 17, and are not exercisable by any Third Party directly against the Holder other than with the Company's prior consent and then only to the extent permitted by such consent. Any such consent may be withheld at the Company's absolute discretion and may be given subject to such restrictions as the Company may impose at its absolute discretion. The terms of any such consent may be varied or waived by the Company at its absolute discretion.

(c) The Company does not owe any duty to any Third Party or to any other person that is not a party to this Warrant Agreement, nor will the Company be liable to any Third Party or to any other such person for any act or omission of any kind or for any exercise of the Company's discretion in any way, in respect of any Third Party Rights or in respect of any other matter concerning or relating to this Warrant Agreement.

(d) No term of this Warrant Agreement is enforceable by any person who is not a party to it, other than as stated above in this Section 17. Where applicable, words used in this Section 17 have the meanings that they have under the Third Parties Act.

(e) This Warrant Agreement may be varied or amended only by written agreement between the Holder and the Company in accordance with Section 18 and without the need for any consent from any Third Party. This Warrant Agreement may also be terminated in accordance with its terms without the need for any consent from any Third Party.

18. WAIVER; AMENDMENT

(a) A waiver of any term, provision or condition of this Warrant Agreement shall be effective only if given in writing and signed by the waiving party and then only in the instance and for the purpose for which it is given.

(b) No failure or delay on the part of any party in exercising any right, power or privilege under this Warrant Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) No breach of any provision of this Warrant Agreement shall be waived or discharged except with the express written consent of the Company and the Holder.

(d) Save as provided in Sections 3 and 10, this Warrant Agreement may be varied or amended only by written agreement of the Company and the Holder.

19. GOVERNING LAW

This Warrant Agreement shall be governed by and construed in accordance with the laws of England.

EXECUTED by the parties hereto as a deed on the date first above written.

EXECUTED as a deed)
by AMARIN CORPORATION PLC) Director:
and signed by two duly authorised)
officers on its behalf) Director/Secretary:

[EXECUTED and DELIVERED as a deed)
by [o] in the presence of:)
)

Signature of Witness:

Name of Witness:

Address of Witness:

Occupation of Witness:]

[EXECUTED and DELIVERED as a deed)
by [o] as trustee of [insert name of trust])
in the presence of:)

Signature of Witness:

Name of Witness:

Address of Witness:

Occupation of Witness:]

[EXECUTED and DELIVERED as a)
deed by [o] as trustee of [insert name of)
trust] and signed by two duly authorised)
officers on its behalf])

SCHEDULE 1

NOTICE OF EXERCISE

To: Amarin Corporation plc

(1) The undersigned hereby elects to purchase _____ Ordinary Shares of Amarin Corporation plc pursuant to the terms of the Warrant Agreement dated [o] 2003 between Amarin Corporation plc and [o], and tenders herewith payment of the purchase price in full.

(2) Please issue a certificate or certificates representing said shares in the name of the undersigned.

(3) The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares, except in compliance with applicable laws.

Dated: _____, 200

_____
[o]

By: _____
Name:
Title:

SCHEDULE 2

REGULATION D

QUALIFICATION STATEMENT

The Holder qualifies as an "accredited investor" pursuant to Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), as a result of its status as (check the appropriate description(s)):

_____ 1. any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

_____ 2. a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

_____ 3. an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

_____ 4. a trust with total assets greater than $5,000,000, not formed for the purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment;

_____ 5. an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if any of the following apply:

_____ (i) the employee benefit plan has total assets in excess of $5,000,000;

_____ (ii) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser; or

_____ (iii) the plan is a self-directed plan in which the investment decisions are made solely by persons who are accredited investors. (Please put an "*" in the appropriate description(s) to indicate how the person(s) making investment decisions are "accredited"); or

_____ 6. a natural person whose individual net worth, or joint net worth with his or her spouse, exceeds US$1,000,000;

_____ 7. a natural person who had an individual income in excess of US$200,000 in each of the two most recent years, or joint income with his or her spouse in excess of US$300,000 in each of those years, and who has a reasonable expectation of reaching the same income level in the current year; or

_____ 8. an entity in which all of the equity owners are "accredited investors" under any one or more of the categories specified in subparagraphs 1 through 7 above.

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT (this "Agreement") is made and entered into on March 14, 2003 (the "Effective Date") by and between F.HOFFMANN-LA ROCHE LTD, a Swiss corporation with office at Grenzacherstrasse 124, CH-4070, Basel, Switzerland ("Roche-Basel") and HOFFMANN-LA ROCHE INC., a company organized under the laws of the state of New Jersey with office at 340 Kingsland Street, Nutley, New Jersey 07110-1199 ("Roche-Nutley") (collectively, "Seller"), and AMARIN CORPORATION plc, an English corporation with offices at 7 Curzon Street, London W1J 5HG United Kingdom ("Buyer").

WHEREAS, Seller has developed and marketed a human pharmaceutical product under the trademark Tasmar(R) (tolcapone), for treatment of parkinsonism; and

WHEREAS, Seller has worldwide rights to the above product, including patent and trademark rights; and

WHEREAS, Buyer wishes to acquire worldwide rights to the product and Seller wishes to divest itself of worldwide rights to the product.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, and other good and valuable consideration, the parties hereto agree as follows:

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. SUCH PORTIONS HAVE BEEN MARKED AS [*] IN THE TEXT OF THIS EXHIBIT. THE OMITTED CONFIDENTIAL INFORMATION HAS BEEN FILED SEPARATELY WITH THE US SECURITIES AND EXCHANGE COMMISSION.

1. DEFINITIONS

1.1 "Active Pharmaceutical Ingredient" or "API" means the pharmaceutical compound known by the chemical name tolcapone (3,4-dihydroxy-4'methyl-5-nitrobenzophenone).

1.2 "Affiliate" of a party means any corporation or other business entity controlled by, controlling, or under common control with, such party. For this purpose, "control" shall mean direct or indirect beneficial ownership of more than fifty percent (50%) of the voting securities of or income interest in such corporation or other business entity. With respect to Seller the term "Affiliate" shall not include Genentech, Inc., a Delaware corporation, nor Chugai Pharmaceutical Co., Ltd, a Japanese corporation, unless Seller indicates in writing that it desires Genentech, Inc. and/or Chugai to be considered an Affiliate of Seller.

1.3 "Agreement" means this Sale and Purchase Agreement.

1.4 "Assets" has the meaning ascribed to such term in Article 2.

1.5 "Assumed Liabilities" has the meaning ascribed to such term in Article 3.

1.6 "Bulk Tablet Inventory" means the Active Pharmaceutical Ingredient in finished dosage tablet pharmaceutical form, including both trade product and samples, but before labeling and packaging.

1.7 "Buyer" has the meaning ascribed to such term in the preamble to this Agreement.

1.8 "Buyer Indemnifiable Claims" has the meaning ascribed to such term in Section 12.1.

1.9 "Buyer Indemnitees" has the meaning ascribed to such term in Section 12.1.

1.10 "Buyer Trade Dress" means (i) the printed labels, labeling and packaging materials, including printed carton, container label and package inserts, used by Buyer and bearing Buyer's name and, as necessary NDC number or equivalent for the Product, and (ii) Buyer's tablet imprint and engraving specification, as sold by Buyer or its Affiliate or sublicensee for Product in the Territory.

1.11 "Closing" has the meaning ascribed to such term in Article 11.

1.12 "Damages" has the meaning ascribed to such term in Section 12.1.

1.13 "Domain Name" means the domain name Tasmar.com, which is registered in the name of the Seller.

1.14 "Effective Date" has the meaning ascribed to such term in the preamble to this Agreement.

1.15 "FDA" shall mean the United States Food and Drug Administration, or its foreign equivalent.

1.16 "Finished Dosage Form Inventory" shall mean the Active Pharmaceutical Ingredient in finished dosage tablet pharmaceutical form and using Seller Trade Dress, ready for shipping for distribution or sale to an ultimate user, distributor, or dispenser, including both trade product and samples.

1.17 "Indemnified Party" has the meaning ascribed to such term in Section 12.3.

1.18 "Indemnifying Party" has the meaning ascribed to such term in Section 12.3.

1.19 "Law" means any federal, state, local or other law, ordinance, rule, regulation, or governmental requirement or restriction of any kind, and any rules, regulations, and orders promulgated thereunder.

1.20 "Major Countries" means the United States of America, Canada, United Kingdom, France, Germany, Italy, and Spain.

1.21 "Manufacturing Technology" means the documents to be set forth prior to Closing on Schedule 1.21, which includes specifications and test methods for Product set forth in the Registrations and sold by the Seller or its Affiliates under the name Tasmar(R) (tolcapone) in the Territory, Active Pharmaceutical Ingredient, packaging, stability and other applicable specifications, manufacturing and packaging instructions, master formula, validation reports (process, analytical methods and cleaning), stability data, analytical methods, records of complaints, annual product reviews to the extent available, and all other master documents (including the Drug Master File) necessary for the manufacture, control, and release of the Product as conducted by, or on behalf of, Seller, under the Roche Process, or otherwise.

1.22 "NDA" means a New Drug Application, Supplemental New Drug Application or Marketing Authorization Application for the Product filed with the United States Food and Drug Administration pursuant to 21 CFR, Part 314, or its foreign equivalent, and all supplements, amendments, and revisions thereto.

1.23 "Net Sales" means the amount of gross sales of Product in the Territory invoiced by Buyer, its Affiliates and sublicensees during the period commencing on the Closing and ending December 31, 2012, less deductions of returns (including allowances actually given for spoiled, damaged, out-dated, rejected, returned Product sold, bad debt, withdrawals and recalls), rebates (price reductions, rebates to social and welfare systems, chargebacks, government mandated rebates and similar types of rebates), volume

(quantity) discounts, and taxes (value added or sales taxes, government mandated exceptional taxes and other taxes directly linked to the gross sales amount).

1.24 "Patents" means all patents, patent applications and statutory invention registrations, including reissues, divisions, continuations, continuations-in-part, supplementary protection certificates, extensions and reexaminations thereof, all inventions disclosed therein, all rights provided by international treaties and conventions, and all rights to obtain and file for patents and registrations thereto in the Territory, now owned by Seller as of the Effective Date that relate to Product, the current schedule of which are listed on Schedule 1.24 attached hereto.

1.25 "Product" means finished pharmaceutical product containing Active Pharmaceutical Ingredient.

1.26 "Product Intellectual Property" means (i) Patents, (ii) Product Trademarks; (iii) Manufacturing Technology, (iv) the Domain Name, and (vi) copyrights in and to the Product Marketing Materials.

1.27 "Product Marketing Materials" means all marketing materials used by Seller or its Affiliate with respect to the Product in the Territory that are in existence as of the Effective Date, including advertising materials, training materials, product data, price lists, mailing lists, sales materials, market information, promotional materials, and artwork for the production of packaging components.

1.28 "Product Registrations" or "Registrations" means all regulatory filings, including NDAs, directly related to Product, including those listed on Schedule 1.28 attached hereto, and related (i) supporting documents, including non-clinical and clinical study results, and (ii) records maintained under cGMP, or other record keeping or reporting requirements of the FDA, the Environmental Protection Agency, the Occupational Health and Safety Administration or any other governmental or regulatory authorities, including

warning letters, notices of adverse finding letter, audit reports and responses, adverse event files, safety databases, safety reports and complaint files.

1.29 "Product Trademarks" means the trademarks, including registrations and applications for registrations thereof (and all renewals, modifications and extensions thereof), together with the goodwill associated therewith, listed on Schedule 1.29 attached hereto.

1.30 "Retained Liabilities" has the meaning ascribed to such term in Article 3.

1.31 "Roche Process" means the manufacturing process approved in the NDA for the Product set forth in the Registrations and sold by Roche or its Affiliate under the name Tasmar(R) (tolcapone) in the Territory.

1.32 "Seller" has the meaning ascribed to such term in the preamble to this Agreement.

1.33 "Seller Indemnifiable Claims" has the meaning ascribed to such term in Section 12.2.

1.34 "Seller Indemnitees" has the meaning ascribed to such term in Section 12.2.

1.35 "Seller Trade Dress" means (i) the printed labels, labeling and packaging materials, including printed carton, container label and package inserts, used by Seller and bearing Seller's name and, as necessary NDC number or equivalent for the Product, and (ii) Seller's tablet imprint and engraving specification, as set forth in the Registrations and sold by Seller or its Affiliate under the name Tasmar(R) (tolcapone) in the Territory.

1.36 "SWITCH Trial" means the clinical trial presently being conducted in Europe comparing efficacy of Tasmar and entacapone, designated as Trial No. NR 16188.

1.37 "Territory" means all countries of the world, except Japan, unless the rights in Japan are subsequently transferred to Buyer as provided herein, at which time Territory shall be deemed to include Japan.

2. ASSETS BEING SOLD

2.1 Asset Sale. Subject to the terms and conditions of this Agreement, Seller shall assign and shall deliver to Buyer at Closing all of the right, title, and interest of Seller in and to the Product, consisting of (i) all Product Intellectual Property, including Seller's files pertaining thereto; (ii) all Product Registrations, including Seller's files pertaining thereto; (iii) all Product Marketing Materials; and (iv) all of Seller's current inventory of Finished Dosage Form Inventory (together, the "Assets").

Except as expressly stated herein, Seller does not, under this Agreement, convey and Buyer does not purchase the right, title, or interest of Seller in and to any assets not listed in this Article 2. Buyer does not, under this Agreement, purchase any right, title or interest in or to the name(s) of Seller or in the Roche Hexagon Design.

Except as expressly stated herein, Seller shall retain no right to distribute, market or sell the Product or the Assets in the Territory.

2.2 Japan Seller represents and Buyer acknowledges that Seller has an obligation to offer the right to sell Product in Japan to Chugai. Seller shall notify Buyer in writing within one (1) year of Closing of the intention of Chugai to sell Product in Japan. If Seller notifies Buyer that Chugai has no intention to sell Product in Japan, then Buyer shall have the right, upon written notice to Seller, to have Japan included in the Territory for this Agreement for no additional consideration other than cost of supply of Product as consistent with Article 5. If Chugai intends to sell Product in Japan, then (i) Seller shall

have the right to use the Product Intellectual Property solely to manufacture or have manufactured, to develop or have developed and to have marketed by Chugai, Product for sale in Japan and (ii) Seller shall use reasonable diligent efforts to conclude an agreement with Chugai regarding Product that requires Chugai to cooperate with Buyer as to adverse event reporting, safety database sharing and global supply of Product.

2.3 License Seller hereby grants to Buyer a non-exclusive, royalty-free, perpetual, irrevocable right and license, under any patent right acquired by Seller or its Affiliate after the Effective Date, to make, have made, use, offer for sale, sell and import Product in the Territory.

3. LIABILITIES

3.1 Liabilities.

Subject to Section 12.1, Buyer shall assume, be responsible for and pay, perform and discharge when due all liabilities related to the Product, and the use of the Assets, that pertain to Product used, sold or distributed by or on behalf of Buyer on or after the Closing, except to the extent such liability is a third party cost incurred in the conduct of the SWITCH Trial (collectively "Assumed Liabilities").

Seller shall retain, be responsible for and pay, perform and discharge when due all liabilities related to the Product, and the use of the Assets, that pertain to Product used, sold or distributed by or on behalf of Seller before the Closing, except to the extent such liability is caused by any statement or representation attributable to Buyer, its Affiliate or its directors, officers, employees and agents that is inconsistent with or contrary to the Product Marketing Materials or Seller Labeling (collectively "Retained Liabilities").

4. CONSIDERATION

4.1 Up-Front Buyer shall pay to Seller the non-refundable, non-creditable sum of TWELVE MILLION FIVE HUNDRED THOUSAND (US $12,500,000.00) US DOLLARS, which Buyer shall pay to Seller on the date of Closing by wire transfer as instructed by Seller.

Buyer shall pay amounts due to Seller under this Section 4.1, by wire transfer, allocated to Roche-Basel and Roche-Nutley, as requested by Seller in writing.

4.2 Milestones (a) Buyer shall pay to Seller the non-refundable, non-creditable sum of [*]MILLION (US $[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date of the first shipment of Product, after [*]in the European Union, as constituted from time to time ("EU"), by or on behalf of Buyer to a wholesaler or distributor for sale in the United Kingdom, France, Germany, Italy or Spain.

(b) Buyer shall pay to Seller the non-refundable, one-time, non-creditable sum of [*]MILLION (US $[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date aggregate Net Sales of Product in a calendar year in the United States of America verifiably reaches [*]million US dollars (US$[*],000,000).

(c) Buyer shall pay to Seller the non-refundable, one-time, non-creditable sum of [*]MILLION (US $[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date aggregate Net Sales of Product in a calendar year in EU verifiably reaches [*]million US dollars (US$[*],000,000).

(d) Buyer shall pay to Seller the non-refundable, one-time, non-creditable sum of [*]MILLION (US $[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date aggregate Net Sales of Product in a calendar year in EU verifiably reaches [*] million US dollars (US$[*]000,000).

(e) Buyer shall pay to Seller the non-refundable, one-time, non-creditable sum of [*]MILLION (US$[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date aggregate Net Sales of Product in a calendar year in the Territory verifiably reaches [*]million US dollars (US$[*],000,000).

(f) Buyer shall pay to Seller the non-refundable, one-time, non-creditable sum of [*]MILLION ($[*],000,000) US DOLLARS, which Buyer shall pay to Seller by wire transfer as instructed by Seller within fifteen (15) days after the date aggregate Net Sales of Product in a calendar year in the Territory verifiably reaches [*]million US dollars (US $[*],000,000).

Buyer shall pay amounts due to Seller under this Section 4.2, by wire transfer, allocated to Roche-Basel and Roche-Nutley, as requested by Seller in writing.

4.3 Sales Commission. Buyer shall pay to Seller an amount equal to [*]percent ([*]%) of Net Sales of Product in each country in the Territory during the period commencing on the Closing and ending on December 31, 2012.

(a) Accounting Period and Net Sales Accounting. Each Accounting Period commences quarterly respectively on January 1, April 1, July 1 and October 1, each being the first day of an Accounting Period, and finishing respectively on March 31, June 30, September 30, and December 31, each being the last day of an Accounting Period. Buyer shall pay amounts due under this Section 4.3 in US Dollars. Buyer shall calculate such payments quarterly as of March 31, June 30, September 30 and December 31 and shall make payment within the forty-five (45) days after the end of each Accounting Period in which such Net Sales occur. Whenever calculating sales commission requires conversion from any foreign currency, Buyer shall make such conversion as follows: Buyer shall use the conversion rate for each applicable currency as quoted in the Financial Times (or, if not published, the Wall Street Journal, European Edition) for the last day of each Accounting Period.

(b) Sales Commission Reports. Buyer shall accompany each payment by a report summarizing for Product the gross sales and Net Sales achieved during the relevant three-month period, the currency conversion rates used, and the total payments due.

(c) Withholding Taxes. If provision is made in law or regulation of any country for withholding of taxes of any type, levies or other charges with respect to any amount payable under this Agreement, Buyer shall promptly pay such tax, levy or charge for and on behalf of Seller to the proper governmental authority. Buyer may deduct any such tax, levy or charge actually paid from amount due. Buyer agrees to assist Seller in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and in minimizing the amount required to be so withheld or deducted. Buyer shall provide documentation from time to time as is needed for Seller to confirm the payment of tax.

(d) Audit. Buyer and its Affiliates and sub-licensees shall keep, full, true and accurate books of account containing all particulars that may be necessary for the purpose of verifying Net Sales and calculating all amounts payable to the Seller. Such books of accounts shall be kept at their principal place of business. Seller has the right, from time to time but not more than once per calendar year, to engage, at its own expense, an independent public accountant reasonably acceptable to Buyer to perform, on Seller's behalf, an audit, conducted in accordance with United Kingdom generally accepted accounting practices (UK GAAP), of such books and records of Buyer and its Affiliates and sub-licensees that are reasonably necessary to confirm the correctness of any report or payments made under this Agreement. Upon timely request and at least thirty (30) days' prior written notice from the Seller, such audit shall be conducted during regular business hours in such a manner as to not unnecessarily interfere with the Buyer's normal business activities. All information, data, documents and abstracts herein referred to shall be used only for the purpose of verifying sales commission reports or compliance with this Agreement. Audit results shall be shared by and be binding upon the parties. If the audit reveals an underpayment, the Buyer shall promptly make up such underpayment. If the audit reveals that the royalties owed by Buyer for the countries specifically requested in total have been understated by more than five percent (5%), then Seller shall pay the costs of such audit.

4.4 Late Payment Any payment under this Agreement that is not timely paid shall bear interest, to the extent permitted by applicable law, at the average one-month European Interbank Offered Rate (EURIBOR) as reported by Bloomberg (or a successor or similar organization) from time to time, such rate to be determined as of the due date and calculated for the number of days such a payment is overdue.

5. SUPPLY

5.1 Supply of Finished Dosage Form Inventory The Finished Dosage Form Inventory in the possession or control of Seller on Closing shall be delivered to Buyer, as provided in Section 11.4. Schedule 5.1 lists, on a country-by-country basis, as of January 31, 2003, Finished Dosage Form Inventory Seller had in its possession or control.

Sales of all such Product shall be subject to the payment of sales commission as provided in Section 4.3.

As promptly as practicable, but in no event later than ninety (90) days after Closing, Seller and Buyer shall discuss and agree upon the amount of the payment under Section 4.1 that is allocable to the Finished Dosage Form Inventory in the possession or control of Seller on Closing.

5.2 Buyer Trade Dress Promptly following Closing, Buyer shall notify Seller in writing of the initial Buyer Trade Dress for which Buyer proposes to seek FDA approval. With the exception of tablet imprint and NDC numbers, the proposed initial Buyer Trade Dress shall be substantially the same as the Seller Trade Dress. Within ten (10) days after receipt of the proposed initial Buyer Trade Dress, Seller shall notify Buyer if Seller believes such proposed initial Buyer Trade Dress will require Seller to make additional plant, property or equipment investment to implement such initial Buyer Trade Dress, with an itemization of such projected costs. If Seller provides such notice, then the parties shall discuss each item in good faith and attempt to identify the lowest reasonable cost option for the proposed change acceptable to each party in its discretion. For each item identified by Seller, at Buyer's option, Buyer shall amend its proposed Buyer Trade Dress so that no such investment is required or shall bear full responsibility to Seller for the expenses

identified in the notice to implement such initial Buyer Trade Dress. If Seller does not timely provide such notice, then Seller shall be deemed to have agreed to implement the proposed initial Buyer Trade Dress.

Following agreement between Seller and Buyer with respect to the initial Buyer Trade Dress, Buyer, at its own expense shall notify FDA of the transfer and obtain such FDA approvals necessary for the agreed initial Buyer Trade Dress for Product, including obtaining new NDC numbers for Product in all relevant jurisdictions. Buyer shall provide Seller, free of charge, with camera ready artwork and hard copy samples of the initial Buyer Trade Dress as approved by FDA. Prior to December 31, 2004, Buyer shall not change Buyer Trade Dress without prior written consent of Seller, not to be unreasonably withheld. It shall not be unreasonable for Seller to withhold consent if any such change requires any investment by Buyer for plant, property or equipment to implement such change that Buyer will not agree to reimburse. If in any country of the Territory any FDA requires change of the Buyer Trade Dress, other than for changes resulting from a change in the manufacturing process (as to which Seller shall bear its own costs), then Buyer shall bear all Seller costs to implement such change with respect to supply of Product.

5.3 Supply of Product. Prior to December 31, 200[*], Buyer shall have entered into an agreement with a third party to procure a source of Active Pharmaceutical Ingredient, semi-finished dosage form and finished dosage form for the Territory. However, the parties anticipate that prior to December 31, 200[*] Finished Dosage Form Inventory will exhaust. As a result, the parties agree as follows:

(a) Buyer's Forecast. Buyer will provide Seller with a rolling non-binding twelve

(12) month forecast, on a quarter-by-quarter basis, through December 31, 200[*], of Buyer's projected purchases for each country of the Territory of (i) each of the following pack sizes, by trade/sample, for the 100 mg tablet dosage of Product: 30 tablets/pack (blister or bottle), 60 tablets/pack (blister or bottle), 90 tablets/pack (bottle), 100 tablets/pack (bottle) and (ii) each of the following pack sizes, by trade/sample, for the 200 mg tablet dosage of Product: 30 tablets/pack (blister or bottle), 90 tablets/pack (bottle), 100 tablets/pack (bottle). Each rolling forecast will be provided no later than forty five (45) days following the end of each calendar quarter. For each pack size of Product, the minimum order quantity ("MOQ") shall be one thousand three hundred and fifty (1350) packages, except for the 90 tablets/pack, for which the MOQ shall be 24,000 bottles of 100 mg tablets and 12,000 bottles of 200 mg tablets. The first quarter of each such rolling forecast shall constitute a firm order. Buyer shall provide the first forecast within thirty (30) days after Closing.

Buyer will issue purchase orders against such forecast, and Seller commits to supply not less than 80% nor more than 120% of each pack size for each strength against the firm order contained in the forecast. Seller shall supply the requirements ordered, in each case with a delivery date of not less than six (6) months or more than nine (9) months from the date of such purchase order.

It is understood that Seller will fill Buyer's initial orders for Product using Bulk Tablet Inventory presently on hand, which Seller shall convert to Finished Dosage Form using Seller Trade Dress.

(b) MOQ Per Order. The MOQs stated above shall be designated in each purchase order from Buyer and calculated by strength (100 mg, 200mg), package size (30, 90, 100), presentation (bottles, blister cards), and the grouped countries shown on Schedule 5.1(b), attached. For example, an order of 100mg product for New Zealand and Australia could be aggregated to meet the MOQ (same strength, pack size and

country group). An order for 100mg Product for Switzerland and Brazil could also be aggregated to reach the MOQ (same strength, pack size and country group) but for Brazil and Singapore, could not be aggregated for that purpose (same group, but different pack size).

(c) Payment for Supply. In addition to the future payment by Buyer of sales commissions under Article 4, Buyer shall pay Seller in accordance with Schedule 5.3, within thirty (30) days of the later of delivery or invoice.

(d) Seller and Buyer agree that except as provided in Section 5.6, Seller shall have no obligation to produce after the Effective Date any Active Pharmaceutical Ingredient, or to supply any order for Product received by Seller after December 31, 200[*].

(e) At Buyer's option, Seller shall (i) at Buyer's cost of US$[*]/kg of API, ship to Buyer any Active Pharmaceutical Ingredient, including in the form of Bulk Tablet Inventory, in its possession and control as of December 31, 200[*], which is not otherwise designated to be produced into finished dosage form as provided hereunder or (ii) at Seller's cost, destroy any Active Pharmaceutical Ingredient and any Bulk Tablet Inventory in its possession and control as of December 31, 200[*], which is not otherwise designated to be produced into finished dosage form as provided hereunder.

5.4 Shipment. All shipments under this Article 5, will be F.C.A. (Incoterms 2000) origin. Shipping or freight, and any tariffs or duties, will be paid by Buyer. Title and risk of loss will pass to Buyer upon delivery to Buyer's designated common carrier at Seller's designated distribution center appropriate for the destination of that shipment.

5.5 Quality Testing Seller, at its expense, shall perform quality assurance and quality control testing with respect to Product supplied under this Article 5, including Seller's stability testing as then applicable to the Product, so as to verify the conformity with Seller specifications in accordance with Seller's standard practice and applicable Law and Product Registrations, and shall provide the results thereof to Buyer in the form of a Certificate of Analysis ("COA"). The Seller specifications are as set forth in the Product Registration NDA No. 20-697.

5.6 Failure Within a sixty (60) day period from receipt by Buyer of shipment by Seller of Product under this Article 5, Buyer may notify ("Notice of Defect") Seller in writing of all of Buyer's claims on account of failure to meet cGMP or other applicable Law, NDA or Product Registration requirements, specifications or quality standards of Article 5.5 ("Defective"). Buyer and Seller shall cooperate in good faith to determine all Product which is Defective. For Defective Product for which Seller receives timely Notice of Defect, Buyer shall be authorized to return such Product to Seller at Seller's expense and Seller shall replace such returned Product at no charge to Buyer within one hundred twenty (120) days of Seller's receipt of the Notice of Defect.

5.7 Recalls If either Buyer or Seller believes a recall of the Product provided to Seller under Article 5 is required or desirable, then both parties shall cooperate fully regarding the investigation and disposition of such matter. If any recall of the Product is agreed by the parties or required by any governmental authority, the cost and the conduct of such recall shall be borne by the party(s) which has caused the conditions causing such recall. The other party shall be entitled to such credits, replacements, reimbursements and allowances from the causing party as shall be necessary in order to assure that all cost

reasonably incurred by the other party to effect such recall are paid or reimbursed by the causing party. For any recall not caused by or attributable to Seller's failure to provide Product which conforms to the requirements of this Agreement, Seller's aggregate cost for which it is responsible under this Section 5.7 shall not exceed the additional cost that Buyer paid Seller under Article 5.3 for the Product affected by the recall.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

As of the Effective Date, Seller hereby represents and warrants to the Buyer as follows:

6.1 Organization; Authorization; Enforceability Each individual entity constituting Seller is a corporation duly incorporated, validly existing and in good standing under the law of the jurisdiction of its incorporation, with full corporate power and authority to consummate the transactions contemplated hereby. Seller has the full corporate power and authority to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Seller have been duly authorized by all requisite corporate action. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to the availability of particular remedies under general equity principles.

6.2 Title to Assets Seller has, and will convey good and marketable title to the Assets at Closing, free and clear of any and all liens, encumbrances, charges, claims, restrictions, pledges, security interests, or impositions of any kind (including those of secured parties). Seller has not granted to a third party any license, interest or other right

in or to the Assets. None of the Assets are leased, rented, licensed or otherwise not owned by Seller.

6.3 Taxes Seller has duly and timely filed all Federal, State and local excise, sales, use, withholding and other returns required to be filed by Seller related to or in connection with the Product and the Assets and has duly paid or established adequate reserves for the proper payment of all taxes and governmental charges relating to or in connection with the Product and the Assets. There are no outstanding tax liens filed against the Sellers that affect the Product or the Assets.

6.4 Patents To the best of Seller's knowledge, (i) the Product Intellectual Property consists of all intellectual property owned or controlled by Seller necessary for Buyer to make, have made, use, sell and distribute the Product in the Territory; and (ii) no threat or claim of infringement or possible infringement of any third party's intellectual property rights is now pending or has been asserted against Seller in connection with its manufacture, use and sale of the Product in the Territory. Claim 14 of US Patent No. 5,236,952 in Schedule 1.24 claims the Active Pharmaceutical Ingredient per se in the United States of America.

6.5 Safety All serious adverse events (as defined under US regulatory Law pertaining to pharmaceutical products) relating to the Product which are known to Seller have been recorded in its safety database and have been provided to Buyer prior to the Effective Date.

6.6 LIMITATION OF WARRANTY AND DISCLAIMERS UNLESS OTHERWISE AGREED IN WRITING AND IN THIS SECTION 6.6 AND EXCEPT FOR THE WARRANTIES SET OUT IN THIS AGREEMENT, SELLER MAKES NO WARRANTY OR REPRESENTATION WHATSOEVER, WHETHER, EXPRESS OR IMPLIED, IN RESPECT OF THE ASSETS TRANSFERRED TO BUYER HEREUNDER. SELLER'S LIABILITY FOR BREACH OF A REPRESENTATION AND/OR WARRANTY SHALL BE LIMITED TO THE

WARRANTIES AND/OR REPRESENTATIONS SET OUT IN THIS AGREEMENT. SELLER WILL NOT AND DOES NOT WARRANT THAT OWNERS OF PRODUCTS THAT ARE SUBSTANTIALLY SIMILAR TO OR IDENTICAL WITH THE PRODUCT WILL NOT ATTEMPT TO REGISTER AND SELL SUCH PRODUCT IN THE TERRITORY. SELLER MAKES NO REPRESENTATION OR WARRANTY AS TO (A) THE PROSPECTS, FINANCIAL, OR OTHERWISE, OF MARKETING THE PRODUCT IN THE TERRITORY; OR (B) EXCEPT AS STATED HEREIN, ANY PATENT RIGHTS OR TRADEMARK RIGHTS OR THE TRADE DRESS FOR THE PRODUCT. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT SELLER MAKES NO WARRANTY OF MERCHANTABILITY OF ANY OF THE ASSETS OR OF THE FITNESS OF ANY OF THE ASSETS FOR ANY PURPOSE.

6.7 Consents and Approvals The execution, delivery and performance of this Agreement by Seller does not require the consent, approval or authorization of, or notice, declaration, filing or registration with, any government or regulatory authority and the execution, delivery or performance of this Agreement does not violate any law, rule or regulation applicable to Seller.

6.8 Regulatory Filings Seller has filed all regulatory submissions and has paid all fees required to maintain the current and active status of the Registrations. The Registrations are complete and up to date; provided, however, that while Seller has made reasonable efforts to satisfy itself and believes the list of Registrations is complete and up to date, Seller gives no warranty that the list of Registrations is complete, except as to the US and the other Major Countries, as to which Seller provides an unqualified warranty of accuracy and completeness of the Registration information provided in Schedule 1.28. As of the Closing, there are no amounts due to any regulatory authority or otherwise with respect to the Registrations.

6.9 Litigation Except as disclosed in Schedule 6.9 there are no actions, suits or proceedings pending, or to Seller's knowledge threatened against the Seller, before any

court or governmental or administrative body or agency affecting the Product or the Assets (including without limitation the Intellectual Property). Seller is not presently subject to any injunction, order or other decree of any court of competent jurisdiction which affects the Product or the Assets.

6.10 No Competing Product. As of Closing, Seller does not have any clinical development project in any country of the Territory directed to development of a COMT inhibitor for human pharmaceutical use and in the United States of America Seller does not promote any anti-parkinsonian drug to physicians. In addition, to the knowledge of Seller's licensing department based on a search of publicly available databases, other than entacapone and a product of Bial-Aristegui, there are no third party COMT inhibitors that are marketed or in Phase II or later clinical development in the Major Countries.

6.11 Survival The ability of Buyer to act upon representations and warranties of Seller shall survive until the earlier of (i) December 31, 2004 and (ii) the period ending eighteen (18) months following Closing.

7. REPRESENTATIONS AND WARRANTIES OF BUYER

As of the Effective Date, Buyer hereby represents and warrants to Seller as follows:

7.1 Organization, Authorization, Enforceability Buyer is a company duly incorporated, validly existing and in good standing under the law of the jurisdiction of its incorporation, with full corporate power and authority to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Buyer have been or, prior to Closing, will be duly authorized by all requisite corporate action. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or

affecting creditors' rights and to the availability of particular remedies under general equity principles.

7.2 Due Diligence Buyer represents that Buyer has conducted a due diligence investigation into the Assets and into the Product. Buyer is aware that (i) Market Authorization for the Product has been withdrawn from the EU, (ii) Seller has withdrawn the Product in Canada, and (iii) Seller does not actively promote Product in the United States of America. In addition, in the course of the due diligence investigation Seller has made available to Buyer a list of Seller's sales prices for Product.

7.3 Litigation There are no actions, suits or proceedings pending, or to Buyer's knowledge threatened against the Buyer, before any court or governmental or administrative body or agency affecting the ability of Buyer to consummate this Agreement.

7.4 Consents and Approvals Other than approval or clearance under the Hart-Scott-Rodino Act in the US ("HSR ACT") and any similar Law in other jurisdictions, the execution, delivery and performance of this Agreement by Buyer does not require the consent, approval or authorization of, or notice, declaration, filing or registration with, any government or regulatory authority and the execution, delivery or performance of this Agreement does not violate any law, rule or regulation currently applicable to Buyer.

7.5 Financing Commitment Buyer will have at Closing obtained financing approved by its board of directors which is sufficient to make the upfront payment called for by Section 4.1 of this Agreement.

7.6 Survival The ability of Seller to act upon the representations and warranties of Buyer shall survive until the earlier of (i) December 31, 2004 and (ii) the period ending eighteen (18) months following Closing.

8. SELLER'S COVENANTS

8.1 Use of Assets Seller agrees that from the Effective Date until the Closing that Seller shall:

8.1.1 maintain the Assets in good status and condition and not enter into any material contract or commitment, engage in any transaction, extend credit or incur any obligation with respect to the Assets, outside of the ordinary course of business;

8.1.2 not materially change Seller's current manufacture, market or sales activities for the Product prior to the Closing;

8.1.3 maintain insurance covering the Assets in such amounts and of such kinds as are comparable to that in effect on the date of this Agreement, if any; and

8.1.4 shall not incur any indebtedness or liability that will or likely would create a lien or other encumbrance against any of the Assets.

8.2 Customer Lists and Government Contracts Within ninety (90) days after the Effective Date, Seller shall provide to Buyer a copy of the existing (as of the Effective Date) lists of current customers for Product, including government contracts.

Seller is under no obligation to secure any consent under any agreement or arrangement for the sale of the Product to Seller's customers other than as expressly stated in this Agreement. Seller shall not be required to make any payment of any kind whatsoever to Buyer or any third party regarding any agreement or arrangement for the sale of the Product to Seller's customers. Seller shall be under no obligation to contact any of its present customers. Buyer shall be solely responsible for procuring any agreements or other arrangement for the sale of the Product in the Territory to any customer including

but not limited to any federal, state or other governmental agency or body, but Seller shall cooperate as reasonably requested by Buyer in making any transition of government agreements for the purchase of Product from Seller to Buyer.

8.3 Announcement Promptly following Closing, Seller shall send a letter, in form and substance mutually acceptable to Buyer and Seller, to Seller's customers, announcing the transfer of the Product to Buyer and referring all future inquiries regarding the Product to Buyer. Buyer may provide to Seller an additional list of names and addresses for distribution of such letter, but all costs for such additional distribution shall be borne by Buyer.

8.4 SWITCH Trial At Seller's cost, Seller shall use reasonably diligent efforts to pursue [*] in the EU and will coordinate with Buyer on progress. Notwithstanding the above, there shall be no obligation on the part of Seller to conduct any clinical activity other than the SWITCH Trial.

9. BUYER'S COVENANTS

9.1 Marketing Efforts Buyer will use reasonable diligent efforts, either itself or with a partner, to market and sell the Product in the Major Countries of the Territory. It is understood that Buyer may enter into one or more sublicense or distribution arrangements with third parties for the Major Countries, with the consent of Seller, not to be unreasonably withheld. If Buyer grants rights to a partner to market or sell Product in any country of the Territory, or enters into one or more sublicense or distribution arrangements with a third party for any country of the Territory, then Buyer shall use reasonable efforts to ensure that all of the applicable terms and conditions of this Agreement apply to the third party to the same extent they apply to Buyer for all purposes. In any event, Buyer retains full responsibility hereunder for the performance of all obligations so imposed on such third party and will itself account to Seller for all sales commissions under Article 4 due under

this Agreement by reason of such grant or arrangement. Buyer may not divest its rights in the Product in the Major Countries prior to December 31, 2012.

9.3 Distribution If, in a country of the Territory, Buyer wishes to use a third party to distribute Product, Buyer shall provide Seller with written notice of such intention. Buyer and Seller each have the right, without obligation, to negotiate with each other an arrangement under which Seller will distribute Product in such country, under terms to be negotiated in good faith.

9.4 Taxes Buyer covenants and agrees to pay on a timely basis all federal, state and local sales, transfer and use taxes and customs duties with respect to the sale and purchase of the Assets, and Buyer covenants to reimburse Seller for any such taxes and duties for which Seller is liable for payment within thirty (30) calendar days of receiving notice from Seller of such payment.

9.5 HSR Act. Buyer covenants to effect filing of any required application for approval pursuant to the HSR Act no later than ten (10) days from the Effective Date.

10. COVENANTS BY BUYER AND SELLER

10.1 Technology Transfer In the interest of avoiding the possibility of a dispute, prior to Closing the parties will have prepared and agreed upon a list of Manufacturing Technology that is to be attached as Exhibit 1.21. The list will describe all of the Manufacturing Technology that has been or shall be provided by Seller to Buyer. In addition, during a period commencing on the Closing and ending December 31, 2004, Seller shall provide up to fifty six (56) man hours of assistance, as reasonably requested by Buyer, to enable Buyer to implement the Manufacturing Technology. Buyer agrees to reimburse Seller for the reasonable out-of-pocket travel and lodging expenses of Seller's personnel who provide assistance to Buyer at Buyer's facilities. Other than as provided in

this Section 10.1, Buyer has no further obligation to Seller with respect to providing Manufacturing Technology or services for implementing the Manufacturing Technology.

10.2 Transfer of Registrations At or following Closing, Buyer and Seller shall execute such documents as Buyer may reasonably request in order to transfer the Registrations. Buyer shall pay any user fees associated with the Product that accrue after Closing, including user fees that accrue prior to transfer of such Registrations. Seller shall notify the FDA promptly following the Closing of the transfer of the Assets. Buyer shall update the NDAs and drug listings, and obtain approvals to such transfer, if required by FDA.

10.3 Medical Questions For up to two (2) months after Closing both parties shall coordinate responses to questions and complaints regarding the Product, with Buyer assuming complete responsibility at the earliest possible date. After such two (2) month period (or earlier assumption of responsibility by Buyer), Buyer shall be solely responsible for responding to all medical questions or complaints and Seller shall immediately refer any such medical questions or complaints, including notices of adverse event findings, adverse event files and safety reports, to Buyer for handling.

10.4 Press Releases Neither the Seller nor the Buyer, nor any Affiliate thereof, will issue or cause publication of any press release or other announcement or public communication with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.

10.5 Rebates Seller or its Affiliates shall be responsible for any rebate payments with respect to the Product, whether by agreements, a government mandate or otherwise, for all Products sold or distributed prior to the Closing, and Buyer shall be responsible for any rebate payments with respect to the Products, whether by agreements, government mandate or otherwise, for all Products sold or distributed on or after the

Closing. If either party or its Affiliate makes payment of rebates in its own name due to governmental requirements pertaining to Products for which the other party is responsible, that other party will reimburse the paying party or its Affiliate such amount within thirty (30) days following the date the paying party or its Affiliate notifies the other that it or its Affiliate has made such payments. For the purposes of this Section, "sold or distributed" means the issuance of an invoice for Product shipped.

10.7 Contract Chargebacks As of the Closing, Seller or its Affiliates shall notify all parties with purchase contracts covering the Product that said contract will terminate as to the Product in accordance with its terms. Seller shall be responsible for all costs and expenses with respect to claims under contract chargebacks for the Product for chargeback requests for Product with an invoice date prior to Closing.

10.8 Returns Seller or its Affiliates shall be responsible for any qualified Product returns, consistent with its standard return policies, for all Product sold or distributed prior to the Closing, and Buyer shall be responsible for any qualified Product returns, consistent with its standard return policies, for all Product sold or distributed on or after the Closing, except to the extent such returns are due to manufacturing defects. Neither party will accept returns for the account of the other party in unusual amounts or inconsistent with its written return policies without first notifying the other party. If either party or its Affiliate makes payment for Product returned for which the other party is responsible, that other party will reimburse the paying party or its Affiliate such amount within thirty (30) days following the date the paying party or its Affiliate notifies the other that it or its Affiliate has made such payments. For the purposes of this Section, "sold or distributed" means the issuance of an invoice for Product shipped.

10.9 Cooperation Prior to the Closing, the parties agree to each designate a key contact person or persons to work out further details and procedures as the need may arise for each subsection in Article 10. These contact persons shall be guided by the principles in Article 10, and the parties agree to good faith cooperation in order to facilitate

the respective Covenants set forth in Article 10. It is understood that as a part of these processes, Buyer will assume responsibility for administering rebates, chargebacks and returns promptly following Closing, with priority in the US and countries where Seller will not continue as distributor for the Product.

11. CONDITIONS PRECEDENT TO CLOSING AND CLOSING

11.1 Conditions to Obligation of Buyer The obligations of Buyer under this Agreement to complete the transactions contemplated hereby are subject to the satisfaction on or prior to the Closing of the following conditions (all or any of which may be waived by Buyer in whole or in part but such waiver shall be in writing):

11.1.1 Representations and Warranties The representations and warranties made by Seller in this Agreement shall have been true and correct in all material respects as of the Closing with the same force and effect as though said representations and warranties had been made on the Closing.

11.1.2 Performance Seller shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be so performed or complied with by it prior to or at Closing.

11.1.3 Consents All consents required under this Agreement have been obtained.

11.1.4 No Material Change No material change shall have occurred to the Assets or the prospects for the business related to the Assets from the Effective Date to the Closing.

11.1.5 Financing Buyer shall have obtained financing approved by its board of directors which is sufficient to make the upfront payment called for by Section 4.1 of this Agreement.

11.1.6 SWITCH Trial Seller shall have provided Buyer with the results of the SWITCH Trial.

11.2 Conditions to Obligations of Seller The obligations of Seller under this Agreement to complete the transactions contemplated hereby are subject to the satisfaction on or prior to the Closing of the following conditions (all or any of which, except for Section 11.2.2(b), may be waived by Seller in whole or in part but such waiver shall be in writing):

11.2.1 Representations and Warranties The representations and warranties made by Buyer in this Agreement shall have been true and correct in all material respects as of the Closing with the same force and effect as though said representations and warranties had been made on the Closing.

11.2.2 Performance Buyer shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be so performed or complied with by it prior to or at Closing, including as related to Buyer having (a) provided Seller, not later than thirty (30) days from the Effective Date, with written evidence of Buyer's ability to finance the upfront payment called for by Section 4.1 of this Agreement, and (b) Buyer having obtained financing approved by its board of directors which is sufficient to make that upfront payment.

11.2.3 No Material Change No material adverse change shall have occurred to the financial condition of Buyer or the ability of Buyer to conduct its obligations hereunder, from the Effective Date to the Closing.

11.3 The Closing Subject to the satisfaction of all of the conditions to each party's obligations set forth in Article 11 hereof (or, with respect to any condition not satisfied, the waiver in writing thereof by the party or parties for whose benefit the condition exists), the closing of the transactions contemplated by this Agreement (the "Closing") shall take place as soon as possible following the execution of this Agreement and satisfaction of conditions to Closing as set forth in Sections 11.1 and 11.2 above (and no later than [*] ([*]) days after Effective Date; or as otherwise mutually agreed between the parties in writing) at offices of Seller or its Affiliate or at such other time, date and place as the parties hereto may agree in writing. The transfer of the Assets shall be deemed to have occurred as of the Closing Date.

11.4 Deliveries by Seller At Closing or within sixty (60) days thereafter, Seller shall deliver to Buyer in form reasonably satisfactory to Buyer, the Assets and executed assignments transferring ownership of the Assets, in recordable form when necessary, and any other documents reasonably requested by either party in order to carry out the intent of this Agreement.

Notwithstanding the preceding, with respect to Product Trademarks, following the Closing, Buyer prepare and Seller shall execute documents required in order to assign and record the assignment of the Product Trademarks. Seller shall do all such deeds, actions and things as Buyer shall reasonably require in order to effect the assignment of the Product Trademarks to Buyer and to effect the recording of Buyer as registered proprietor thereof as soon as practically possible, including, without prejudice to the generality of the foregoing, requesting in writing that its local trademark agents co-operate with Buyer's local trademark agents in relation thereto.

With respect to Finished Dosage Form Inventory transferred as an Asset under Article 2.1, all shipments will be F.A.C. (Incoterm 2000) origin from Seller's designated

distribution center(s). Shipping or freight, and any tariffs or duties, will be paid by Buyer. Title and risk of loss will pass to Buyer upon delivery to Buyer's designated common carrier at Seller's designated distribution center.

11.5 Deliveries by Buyer At Closing, Buyer shall deliver or cause to be delivered to Seller the up-front payment in accordance with Section 4.1.

11.6 Delay of Closing If for any reason (other than breach of this Agreement) the Closing does not occur by the time provided in Section 11.3, the parties may in their sole discretion either mutually agree in writing to extend the date of Closing, or either may terminate this Agreement upon written notice to the other party, without liability or obligation.

11.7 Effect of Closing It is understood and agreed that all revenues for sale of Product in the Territory prior to and following Closing shall be for the account of Seller and Buyer, respectively, and the parties shall take such actions and do all things necessary, including reconciling payments and reports, in order to carry out this intent.

12. INDEMNIFICATION

12.1 Indemnification by Seller Subject to the limitations set forth in Section 12.5 below, Seller shall indemnify Buyer and its Affiliates, and their directors, officers, employees and agents ("Buyer Indemnitees") against, and agrees to defend and hold each of the Buyer Indemnitees harmless from, any and all damages, losses, liabilities, third party claims, and expenses (collectively, "Damages") (including, without limitation, reasonable expenses of investigation and attorneys' fees incurred or suffered by the Buyer Indemnitees) arising out of (a) any inaccuracy in or breach of any representation, covenant, agreement or warranty made by Seller herein, (b) the Retained Liabilities, (c) any gross negligence or willful misconduct of Seller or its Affiliates, or (d) the manufacture or supply of Product by Seller (collectively, "Buyer Indemnifiable Claims").

12.2 Indemnification by Buyer Subject to the limitations set forth in Section 12.5 below, Buyer shall indemnify Seller and its Affiliates, and their directors, officers, employees and agents ("Seller Indemnitees") against, and agrees to defend and hold each of the Seller Indemnitees harmless from, any and all Damages (including, without limitation, reasonable expenses of investigation and attorneys' fees incurred or suffered by the Seller Indemnitees) arising out of (a) any inaccuracy in or breach of any representation, covenant, agreement or warranty made by Buyer herein, (b) the Assumed Liabilities or (c) any gross negligence or willful misconduct of Buyer or its Affiliates or partners, sublicensees or distributors, or (d) any statement or representation attributable to Buyer, its Affiliate, or partners, sublicensees or distributors (other than Seller) or their directors, officers, employees and agents that is inconsistent with or contrary to the Product Marketing Materials or Seller Labeling (collectively "Seller Indemnifiable Claims").

12.3 Notice A party seeking indemnification pursuant to Section 12.1 or 12.2 above (an "Indemnified Party") shall give prompt notice to the party from whom such indemnification is sought (the "Indemnifying Party") of the assertion of any claim, or the commencement of any action, suit or proceeding, in respect of which indemnity is or may be sought hereunder and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but no failure to give such notice shall relieve the Indemnifying Party of any liability hereunder except to the extent the Indemnifying Party has suffered actual prejudice thereby.

12.4 Participation in Defense The Indemnifying Party may, at its expense, participate in or assume the defense of any such action, suit or proceeding involving a third party. In such case the Indemnified Party shall have the right (but not the duty) to participate in the defense thereof, and to retain counsel, at its own expense, separate from counsel retained by the Indemnifying Party in any such action and to participate in the defense thereof. The Indemnifying Party shall be liable for the fees and expenses of no more than one firm retained as counsel by the Indemnified Party if the Indemnifying Party

has not assumed the defense thereof. Whether or not the Indemnifying Party chooses to defend or prosecute any third party claim, the parties shall cooperate in the defense or prosecution thereof and shall finish such records, information and testimony as may be reasonably requested in connection therewith. In no event shall any third party claim be settled by the Indemnified Party without the prior written consent of the Indemnifying Party.

12.5 Limitations on Indemnity Notwithstanding anything to the contrary set forth elsewhere herein, neither the Buyer Indemnitees or the Seller Indemnitees shall be entitled to indemnification hereunder unless the Indemnified Party transmits written notice of a claim for indemnification to the Indemnifying Party no later than six (6) months after receipt of a written claim or threat which could result in a claim.

12.6 No Special Damages IN NO EVENT SHALL EITHER, PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS OR PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EXCEPT THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY LOST PROFITS OR PUNITIVE DAMAGES THAT MAY BE AWARDED TO A THIRD PARTY AND FOR WHICH A PARTY OTHERWISE IS LIABLE TO PROVIDE INDEMNIFICATION UNDER THIS ARTICLE 12.

13. NOTICES

Any notice required or permitted to be given hereunder shall be deemed sufficient if sent by United States mail or overnight courier, or delivered by hand to Seller or Buyer at the respective addresses set forth below or at such other address as either party hereto may designate. If delivered by overnight courier, notice shall be deemed given when it has been signed for. If delivered by hand, notice shall be deemed given when received. If delivered by U.S. Mail, notice shall be deemed given five (5) business days following the postmark date.

If to Buyer, to:

AMARIN CORPORATION, plc
7 Curzon Street
London W1J 5HG
United Kingdom
Attention: General Counsel and Corporate Secretary

With a copy to:

AMARIN CORPORATION
Two Belvedere Place, Suite 330
Mill Valley, California 94941
Attention: Executive Vice President, Commercial Development

If to Seller, to:

HOFFMANN-LA ROCHE INC.
340 Kingsland Street
Nutley, New Jersey 07110
Attention: Corporate Secretary

and

F.HOFFMANN-LA ROCHE LTD
Grenzacherstrasse 124
CH-4070 Basel Switzerland
Attn: Corporate Law

14. GOVERNING LAW AND ARBITRATION

This Agreement shall be governed by the laws of Switzerland, without reference to its conflict of laws principles.

Unless otherwise set forth in this Agreement, in the event of any dispute in connection with this Agreement, such dispute shall be referred to the respective executive officers of the parties designated below or their designees, for good faith negotiations attempting to resolve the dispute. The designated executive officers are as follows:

For Buyer: CEO

For Seller: Head of Pharma

Should the parties fail to agree within two (2) months after such dispute has first arisen, it shall be finally settled by arbitration in accordance with the commercial arbitration rules of the International Chamber of Commerce as in force at the time when initiating the arbitration. The tribunal shall consist of three arbitrators. The place of arbitration shall be Basel, Switzerland. The language to be used shall be English. Each party shall bear its own costs of arbitration, and shall share the costs of arbitrators equally, unless costs are allocated otherwise by the arbitrators.

15. ADDITIONAL TERMS

15.1 Brokers Buyer represents to Seller that it has not employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee or any commission from Seller upon consummation of the transactions contemplated hereby. Seller represents to Buyer that it has not employed any such Person in such connection who might be entitled to a fee or any commission from Buyer upon consummation of the transactions contemplated hereby.

15.2 Expenses Except as otherwise expressly provided in this Agreement, all legal, accounting and other costs and expenses incurred in connection herewith and the transactions contemplated hereby shall be paid by the party incurring such expenses.

15.3 Successors and Assigns This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns (including, for sake of clarification, successors by merger or asset acquisition). For Buyer, this Agreement may not be assigned in whole or in part other than to an Affiilate without the prior written consent of Seller. For Seller, until December 31, 2004 this Agreement may not be assigned in whole or in part without the prior written consent of Buyer other than to an Affiliate. In the event of an assignment under this Section 15.3, the assigning party and the assignee shall be jointly and severally liable for the performance of the obligations on the part of the assigning party set out in this Agreement.

15.4 Exhibits and Schedules The Exhibits and Schedules attached to this Agreement are accurate and complete as of the Effective Date. Those Exhibits and Schedules, and the principles and conditions incorporated in such Exhibits and Schedules, shall be deemed integral parts of this Agreement and all references in this Agreement to this Agreement shall encompass such Exhibits and Schedules and the principles and conditions incorporated in such Exhibits and Schedules.

15.5 Entire Agreement This Agreement and the exhibits hereto embody the entire agreement of the parties hereto with respect to the subject matter hereof and supersede and replace all previous negotiations, understandings, representations, writings, and contract provisions and rights relating to the subject matter hereof.

15.6 Amendments; No Waiver No provision of this Agreement may be amended, revoked or waived except by a writing signed and delivered by an authorized officer of each party. No failure or delay on the part of either party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

15.7 Counterparts This Agreement may be executed in one or more counterparts all of which shall together constitute one and the same instrument and shall become effective when a counterpart has been signed by Buyer and delivered to Seller and a counterpart has been signed by Seller and delivered to Buyer.

15.8 Severability The parties agree that (a) the provisions of this Agreement shall be severable and (b) in the event that any of the provisions hereof are held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, (i) such invalid, void or otherwise unenforceable provisions shall be automatically replaced by other provisions that are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable and (ii) the remaining provisions shall remain enforceable to the fullest extent permitted by law, provided that the rights and interests of the parties hereto shall not be materially affected.

15.9 Captions Captions herein are inserted for convenience of reference only and shall be ignored in the construction or interpretation of this Agreement. Unless the context requires otherwise, all references herein to Articles and Sections are to the articles and sections of this Agreement.

15.11 Force Majeure Failure of either Buyer or Seller to perform its obligations under this Agreement (except the obligation to make payments when properly due) shall not subject such party to any liability or place them in breach of any term or condition of this Agreement to the other party to the extent that such failure is due to fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labor trouble, a national health emergency, compliance with any order or regulation of any government entity acting with color of right, or any other cause beyond the reasonable control of such non-performing party (such event or cause referred to as "force majeure"). The party affected shall promptly notify the other party of the condition constituting force majeure as defined herein and shall use diligent efforts to eliminate, cure or overcome any such event of force majeure and to resume performance of its obligations with all possible speed. If a condition

constituting force majeure as defined herein exists for more than ninety (90) consecutive days, the parties shall meet to negotiate a mutually satisfactory resolution to the problem, if practicable.

IN WITNESS WHEREOF, this Agreement has been signed by duly authorized representatives of each of the parties hereto as of the date first above written.

HOFFMANN-LA ROCHE INC.

By: /s/ Dennis Burns

Name: Dennis Burns

Title:

Date:

AMARIN CORPORATION plc

By: /s/ Richard A. B. Stewart

Name: Richard A. B. Stewart

Title: Chief Executive Officer

Date:

F.HOFFMANN-LA ROCHE LTD

By: /s/ Bradley J. Bolton

Name: Bradley J. Bolton

Title:

Date:

By: /s/ Rudolf Schaffner

Name: Rudolf Schaffner

Title:

Date:

128075

SCHEDULE 1.21
MANUFACTURING TECHNOLOGY

[TO BE PROVIDED PRIOR TO CLOSING]

SCHEDULE 1.24
PATENTS

PATENT STATUS FOR TASMAR(R) (TOLCAPONE)

1. PRODUCT-PROTECTION (CASE 10216)

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Argentina	AR	09.03.1987	306966	30.12.1993	245097	30.12.2008	Roche Basel	P
Argentina	AR1	26.12.1995	334796			11.03.2007	Roche Basel	A
Australia	AU	06.03.1987	69764/87	10.04.1991	603788	06.03.2007	Roche Basel	P
Austria	AT	11.03.1987	87103469.0	02.06.1993	E 90072	11.03.2007	Roche Basel	P
Austria	AT1	24.11.1997	SZ 68/97				Roche Basel	A
Bahrain	BH	29.07.1996	1272/96	28.06.1998	BP1120	29.07.2011	Roche Basel	P
Belgium	BE	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Belgium	BE1	05.12.1997	097CO112				Roche Basel	A
Brazil	BR	23.09.1996	PI1100051.1	25.05.1999	PI1100051.1	11.03.2007	Roche Basel	P
Bulgaria	BG	16.07.1992	96626	16.01.1995	60383	17.08.2010	Roche Nutley	P
Canada	CA	20.02.1987	530171	02.06.1992	1302418	02.06.2009	Roche Basel	P
Chile	CL	04.03.1987	124/87	30.08.1988	36172	30.08.2003	Roche Basel	P
Denmark	DK	18.02.1987	820/87			18.02.2007	Roche Basel	A

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Dominican	DO	29.07.1996				04.03.2007	Roche Basel	A
Finland	FI	10.03.1987	871041	27.06.1994	91396	10.03.2007	Roche Basel	P
Finland	FI1	28.10.1997	L 1997 0021	06.06.2001	118	09.03.2012	Roche Basel	P
France	FR	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
France	FR1	13.11.1997	97C00127	14.04.2000	00/15	25.02.2012	Roche Basel	P
Germany	DE	18.12.1997	19775095.8	22.04.1998	19775095.8	11.03.2012	Roche Basel	P
Germany	DE1	18.12.1997	19775095.8	22.04.1998	19775095.8	11.03.2012	Roche Basel	P
Greece	GR	11.03.1987	87103469.0	02.06.1993	3008958	11.03.2007	Roche Basel	P
Greece	GR1	17.02.1998	980800005	16.10.1998	8000005	17.02.2018	Roche Basel	P
Hong Kong	HK	05.09.1996	1658/96	05.09.1996	1658/96	11.03.2007	Roche Basel	P
Hungary	HU	09.03.1987	989/87	16.10.1990	201900	09.03.2007	Roche Basel	P
Iran	IR	23.04.1988	27822	30.04.1988	23643	09.03.2007	Roche Basel	P
Ireland	IE	10.03.1987	609/87	20.10.1994	61316	10.03.2007	Roche Basel	P
Ireland	IE1	10.11.1997	SPC 28/97	03.08.1999	SPC 61316	24.02.2012	Roche Basel	P
Israel	IL	05.03.1987	81791	31.03.1993	81791	05.03.2007	Roche Basel	P
Italy	IT	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Italy	IT1	09.12.1997	351808	21.01.1998	C-UB97CCP602	11.03.2012	Roche Basel	P
Latvia	LV	29.05.1996	P 162/96	20.12.1996	5742	11.03.2007	Roche Basel	P

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Luxembourg	LU	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Luxembourg	LU1	19.11.1997	90172	21.01.1998	90172	11.03.2012	Roche Basel	P
Luxembourg	LU2	25.02.1998	90219	28.05.1998	90219	25.02.2012	Roche Basel	P
Mexico	MX	26.06.1992	9203634	13.01.1997	183747	09.01.2007	Roche Basel	P
Monaco	MC	09.03.1987	1876/87	22.12.1987	87.1807	09.03.2007	Roche Basel	P
Netherlands	NL	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Netherlands	NL1	21.11.1997	970041	21.04.1998	970041	10.03.2012	Roche Basel	P
New Zealand	NZ	04.03.1987	219496	22.04.1991	219496	04.03.2007	Roche Basel	P
Norway	NO	10.03.1987	19870984	08.05.1991	165959	10.03.2007	Roche Norge	P
Norway	NO1	28.01.1998	SPC 006/98	06.03.1998	SPC/NO 1998006	10.03.2012	Roche Basel	P
Panama	PA	14.10.1996	083492	16.03.1999	083492	04.03.2007	Roche Basel	P
Paraguay	PY	25.01.2001	01436	20.12.2001	4066	11.03.2007	Roche Basel	P
Philippines	PH	10.03.1987	34997	04.12.2000	1-1987-34997	04.12.2017	Roche Basel	P
Philippines	PH1	12.04.1988	36785	28.04.2000	1-1988-36785		Roche Basel	P
Philippines	PH2	14.07.2000	1-2000-01894	16.04.2002	1-2000-01894	16.04.2019	Roche Basel	P
Philippines	PH3	14.07.2000	1-2000-01893	16.04.2002	1-2000-01893	16.04.2019	Roche Basel	P
Philippines	PH4	14.07.2000	1-2000-01895	16.04.2002	1-2000-01895	16.04.2019	Roche Basel	P
Portugal	PT	11.03.1987	84449	17.03.1989	84449	17.03.2007	Roche Basel	P
Portugal	PT1	15.01.1998	2/98				Roche Basel	A

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Romania	RO	18.09.1998	C-20218	31.10.2002	2.246T	11.03.2007	Roche Basel	P
Saudi	SA	25.09.1996	96170326				Roche Basel	A
Singapore	SG	10.07.1996	9691659.8	15.08.1996	9691659.8	11.03.2007	Roche Basel	P
South Africa	ZA	04.03.1987	1564/87	28.10.1987	1564/87	04.03.2007	Roche Basel	P
South Korea	KR	09.03.2987	2089/87	19.05.1993	62090	09.03.2007	Roche Nutley	P
South Korea	KR1	01.07.1987	6864/87	15.11.1996	107730	16.07.2011	Roche Nutley	P
Spain	ES	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Spain	ES1	15.01.1998	C9800002				Roche Basel	A
Sweden	SE	11.03.1987	87103469.0	02.06.1993	87103469.0	11.03.2007	Roche Basel	P
Sweden	SE1	03.11.1997	9790043-5	05.10.1998	9790043-5	24.02.2012	Roche Basel	P
Switzerland	CH3	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
Switzerland	CH2	21.05.1997	CO237929/01	31.07.1998	CO237929/01	25.02.2012	Roche Basel	P
Taiwan	TW1	17.02.1987	76100779	12.03.1991	NI 42821	16.02.2007	Roche Basel	P
United	GB	11.03.1987	87103469.0	02.06.1993	0237929	11.03.2007	Roche Basel	P
United	GB1	13.11.1997	SPC/GB97/088	17.12.1998	SPC/GB97/088	24.02.2012	Roche Basel	P
Uruguay	UY	10.03.1987	22585	16.08.1991	13213	10.03.2007	Roche Basel	P
USA	US2	16.04.1991	07/686210	17.08.1993	5236952	29.01.2012	Roche Nutley	P
USA	US3	16.04.1993	08/048685	14.02.1995	5389653	14.02.2012	Roche Nutley	P
USA	US4	21.10.1994	08/327160	19.12.1995	5476875	19.12.2012	Roche Nutley	P

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
USA	US5	15.09.1995	08/528588	27.05.1997	5633371	06.03.2007	Roche Nutley	P
USA	US6	21.01.1997	08/784554	06.01.1998	5705703	06.05.2007	Roche Nutley	P

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COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Argentina	AR	19.01.1998	P980100218			19.01.2018	Roche Basel	A
Australia	AU	16.01.1998	52102/98	30.08.2001	733422	16.01.2018	Roche Basel	P
Austria	AT	15.01.1998	98100582.0	05.09.2001	E205177	15.01.2018	Roche Basel	P
Belgium	BE	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Brazil	BR	21.01.1998	PI9800426.3			21.01.2018	Roche Basel	A
Canada	CA	15.01.1998	2227131			15.01.2018	Roche Basel	A
China	CN	21.01.1998	98104299.6	09.10.2002	ZL98104299.6	21.01.2018	Roche Basel	P
Denmark	DK	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Finland	FI	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
France	FR	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Germany	DE	15.01.1998	98100582.0	05.09.2001	69801532.0	15.01.2018	Roche Basel	P
Greece	GR	15.01.1998	98100582.0	05.09.2001	3037446	15.01.2018	Roche Basel	P
Indonesia	ID	15.04.1997	P-971255	09.09.2002		15.04.2012	Roche Basel	P
Ireland	IE	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Italy	IT	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Luxembourg	LU	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P

COUNTRY		APPL.DT.	APPL.NO.	GRANT DT	PATENT NO.	EXPIRY	HOLDER	STAT
Mexico	MX	21.01.1998	980608	08.06.2001	202252	21.01.2018	Roche Basel	P
Netherlands	NL	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Portugal	PT	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
South Africa	ZA	15.01.1998	98/0347	30.09.1998	98/0347	15.01.2018	Roche Basel	P
South Korea	KR	20.01.1998	98-1483	13.07.2000	268545		Roche Basel	P
Spain	ES	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Sweden	SE	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Switzerland	CH1	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
Turkey	TR	16.01.1998	98/68			16.01.2018	Roche Basel	A
United K.	GB	15.01.1998	98100582.0	05.09.2001	0855379	15.01.2018	Roche Basel	P
USA	US	15.01.1998	09/007612	02.03.1999	5877353	15.01.2018	Roche Nutley	P

A=Patent Application
P=Granted Patent

SCHEDULE 1.28
PRODUCT REGISTRATIONS

COUNTRY	REGISTRATION DATE	INTRODUCTION DATE	COMMENT
Argentina	08-Aug-1997	29-Aug-1997	Marketed
Aruba	04-Feb-1998		Marketed
Brazil	12-Jan-1998	26-Mar-1998	Marketed
Chile	09-Dec-1997	10-Dec-1997	Marketed
Colombia	06-Apr-1998 (100 mg) 20-Jan-1998 (200 mg)	01-May-1998 01-May-1998	Marketed
Costa Rica			Marketed
Cuba	19-Aug-1997		Marketed
Curacao	19-Aug-1997		Marketed
Cyprus	19-Aug-97		Marketed
Dominican Rep.	23-Jan-1998		Marketed
Ecuador	19-Feb-1998 (100 mg) 15-Apr-1998 (200 mg)	12-Jun-1998	Marketed
El Salvador	25-Nov-97		Marketed
Estonia	24-Oct-1997		Marketed
Guatemala	29-Oct-1997	Streamlined August 13, 2001	Marketed
Honduras	05-Aug-1998		Marketed
Hongkong	31-Jul-1998	10-Aug-1998	Marketed
Latvia	21-Jul-1998		Marketed
Lebanon	1998		Marketed
New Zealand	18-Dec-1997	15-Feb-1998 (only 100 mg)	Marketed
Nicaragua	18-Feb-1998		Marketed

COUNTRY	REGISTRATION DATE	INTRODUCTION DATE	COMMENT
Norway	12.01.1998(Suspended on Sept 1, 2000 as per EU trety)	Jan-98	Available on special licence
Panama	24-Mar-1998		Marketed
Paraguay	1998		Marketed
Philippines	9-Jan-98	29-Jun-1998 (only 100 mg)	Marketed
Romania	28-Jan-1998		Marketed
Singapore	25-May-1998	18-Jun-1998 (100 mg) 25-Jun-1998 (200 mg)	Marketed
South Africa	16-Apr-1998 (only 100 mg)	05-May-1998	Marketed
Switzerland	25-Feb-1997	15-Sep-1997	Marketed
Trinidad/Tobago	13-Jan-1998		Marketed
Uruguay	30-Sep-1997	01-Oct-1997	Marketed
USA	29-Jan-1998	16-Feb-1998	Marketed
Yugoslavia	03-Dec-1997	05-Mar-1998	Marketed
Barbados			Marketed
Bermudas			Marketed
Bolivia			Marketed
Bosnia-Herzegovia			Marketed
Dutch Antilles			Marketed
Egypt			Marketed
Faeroe			Marketed
Haiti			Marketed
Israel			Marketed
St. Vincent			Marketed

Swaziland Marketed
Zimbabwe Marketed
Ukraine Marketed

Additional current information on Registrations in the Major Countries is as follows:

Canada

[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

France

[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

Germany

[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

Italy

[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

SPAIN						
[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]
U.S.A.						
[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]
UNITED KINGDOM						
[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

Additional information on Registrations in countries other than the Major Countries, from which the above chart is taken, is contained in an email attachment forwarded from Seller to Buyer on March 6, 2003.

SCHEDULE 1.29
PRODUCT TRADEMARKS

COUNTRY	TRADEMARK	FILING DATE	FILING NO.	REG.NO.	RENEWAL NO.	REGISTERED OWNERS
ARGENTINA	TASMAR	16/10/1990		1570154		ROCHE BASLE
ARGENTINA	ROSMAR	27/05/1994		1589566		ROCHE BASLE
AUSTRALIA	TASMAR	29/08/1975		A290172		ROCHE PRODUCTS LTD. WELWYN
BOLIVIA	TASMAR			A50261		ROCHE HAMILTON HLRP
BRAZIL	TASMAR	28/03/1995	818396741	818396741		ROCHE BASLE
BURUNDI	TASMAR		BUR1530	BUR1530		ROCHE BASLE
CANADA	TASMAR	09/03/1995		491037		ROCHE MISSISSAUGA, CANADA
CHILE	TASMAR			466475		ROCHE HAMILTON HLRP
CHINA	TASMAR	18/09/1995		984859		ROCHE BASLE
CHINA	TASMAR	09/08/1995		1015093		ROCHE BASLE
CHINA	TASMAR	08/08/1996		1099709		ROCHE BASLE
COLOMBIA	TASMAR	28/04/1987		128688		ROCHE HAMILTON HLRP
CONGO DEM. REP.	TASMAR	10/02/1997		5916/97		ROCHE BASLE
COSTA RICA	TASMAR	29/04/1980		58037	58037	ROCHE HAMILTON HLRP
COSTA RICA	TASMAR	25/05/1995		94056		ROCHE HAMILTON HLRP

CYPRUS GREEK	TASMAR	26/07/1978	19029	19029	ROCHE BASLE
CYPRUS TURKISH	TASMAR	25/09/1978	567	567	ROCHE BASLE
DENMARK	TASMAR		1295/1977		ROCHE BASLE
DOM. REP.	TASMAR		28248	28248	ROCHE HAMILTON RIL
ECUADOR	TASMAR	11/10/1976	2446-97		ROCHE HAMILTON RIL
EIRE	TASMAR	04/10/1976	89918		ROCHE PRODUCTS LTD. WELWYN
ESTONIA	TASMAR	14/01/1997	26527		ROCHE BASLE
FINLAND	TASMAR		74465	74465	ROCHE BASLE
GEORGIA	TASMAR	24/01/1997	9868		ROCHE BASLE
GREAT BRITAIN	TASMAR	18/09/1975	1052252		ROCHE PRODUCTS LTD. WELWYN
GREECE	TASMAR	01/10/1976	57454		ROCHE BASLE
GUATEMALA	TASMAR		34230		ROCHE HAMILTON HLRP
HAITI	TASMAR		243/83	127/119	ROCHE HAMILTON HLRP
HONDURAS	TASMAR		24276		ROCHE HAMILTON HLRP
HONG KONG	TASMAR	10/03/1995	6516/1996	6516/1996	ROCHE BASLE
HONG KONG	TASMAR	11/08/1995	11352/1996	11352/1996	ROCHE BASLE
HONG KONG	TASMAR	11/08/1978	463/1979	463/1979	ROCHE BASLE
HONG KONG	TASMAR	30/07/1996	7499/1997		ROCHE BASLE
ICELAND	TASMAR	03/08/1995	146/1996		ROCHE BASLE
INDIA	TASMAR	04/09/1975	308206		ROCHE BASLE
INDONESIA	TASMAR	03/07/1997	414162		ROCHE BASLE

IRAN	TASMAR	31/10/1976		47071		ROCHE BASLE
IRAQ	TASMAR	16/10/1976		22571		ROCHE BASLE
ISRAEL	TASMAR	24/07/1978		46295	46295	ROCHE BASLE
ISRAEL	TASMAR	09/03/1995		97496	97496	ROCHE BASLE
ITALY	TASMAR	09/08/1979		375813		ROCHE BASLE
JAMAICA	TASMAR	28/01/1997	5/6546			ROCHE BASLE
JAMAICA	TASMAR	14/09/1978		18911	18911	ROCHE BASLE
JORDAN	TASMAR	08/08/1978		16146		ROCHE BASLE
KENYA	TASMAR	24/08/1978		25193	25193	ROCHE PRODUCTS LTD. WELWYN
KOREA SOUTH	TASMAR	09/05/1995	95-17956	341886		ROCHE BASLE
KOREA SOUTH	TASMAR	20/09/1990	90-28267	230366	230366	ROCHE BASLE
KUWAIT	TASMAR	26/09/1978		9556		ROCHE BASLE
LEBANON	TASMAR	09/05/1977		33504	57622	ROCHE BASLE
LIBYA	TASMAR	07/12/1978		9136/BN		ROCHE BASLE
LITHUANIA	TASMAR	20/01/1997	97-0146	32216		ROCHE BASLE
MALAWI	TASMAR	03/08/1978		194/78		ROCHE BASLE
MALAYSIA	TASMAR	12/08/1978		M/79573	M/079573	ROCHE PRODUCTS LTD. WELWYN
MALTA	TASMAR	28/08/1978		13560		ROCHE PRODUCTS LTD. WELWYN
MEXICO	TASMAR	21/09/1990		402164	402164	ROCHE HAMILTON RIL
NEW ZEALAND	TASMAR	14/08/1992		220617		ROCHE BASLE
NICARAGUA	TASMAR	23/05/1995		CC29935		ROCHE HAMILTON RIL

NICARAGUA	TASMAR			CC7876		ROCHE HAMILTON RIL
NIGERIA	TASMAR	11/09/1978		33792	33792	ROCHE PRODUCTS LTD. WELWYN
NORWAY	TASMAR			98847		ROCHE BASLE
O.A.P.I.	TASMAR	15/11/1976		16621		ROCHE BASLE
OMAN	TASMAR	18/01/1997	15063			ROCHE BASLE
PAKISTAN	TASMAR	08/08/1978		67931	67931	ROCHE BASLE
PANAMA	TASMAR			31031		ROCHE HAMILTON HLRP
PARAGUAY	ROASMAR	16/06/1995		185156		ROCHE BASLE
PARAGUAY	ROSMAR	16/06/1995		185157		ROCHE BASLE
PERU	TASMAR			66617	66617	ROCHE HAMILTON RIL
PHILIPPINES	TASMAR	01/06/1995	100501			ROCHE BASLE
POLAND	TASMAR	01/08/1995		102444		ROCHE BASLE
RWANDA	TASMAR		CRK1449	CRK1449		ROCHE BASLE
SALVADOR	TASMAR			69-71	69	ROCHE HAMILTON HLRP
SAUDI ARABIA	TASMAR	08/09/1990		234/71	234/71	ROCHE BASLE
SINGAPORE	TASMAR	10/08/1978		76961	T78/76961G	ROCHE PRODUCTS LTD. WELWYN
SOMALIA	TASMAR	17/09/1978		2554		ROCHE BASLE
SOUTH AFRICA	TASMAR	04/09/1975		75/4731		ROCHE BASLE
SRI LANKA	TASMAR	08/08/1978		39249	39249	ROCHE BASLE
SURINAME	TASMAR			9852	9852	ROCHE BASLE
SWEDEN	TASMAR	15/03/1995		308741		ROCHE BASLE

SWEDEN	TASMAR			164488		ROCHE BASLE
SWITZERLAND	TASMAR	23/07/1991		391972		ROCHE BASLE
SWITZERLAND	TASMAR	18/08/1975		P278372		ROCHE BASLE
SYRIA	TASMAR			15729		ROCHE BASLE
THAILAND	TASMAR	13/09/1978		81496		ROCHE BASLE
TRINIDAD AND TOBAGO	TASMAR	23/08/1978		10904		ROCHE PRODUCTS LTD. WELWYN
TUNISIA	TASMAR	30/10/1995		EE.95.1424		ROCHE BASLE
TURKEY	TASMAR	22/12/1975		89474		ROCHE BASLE
UNITED ARAB EMIRATES	TASMAR	12/02/1997	20250	16729		ROCHE BASLE
URUGUAY	TASMAR			287000		ROCHE HAMILTON RIL
USA	TASMAR	15/03/1995		2029225		ROCHE NUTLEY
VENEZUELA	TASMAR			85967-F	85967-F	ROCHE HAMILTON HLRP
YEMEN (REPUBLIC OF)	TASMAR	18/09/1975		3959/A		ROCHE BASLE
ZAMBIA	TASMAR	09/08/1978		227/78		ROCHE PRODUCTS LTD. WELWYN
ZIMBABWE	TASMAR	24/07/1978		430/78		ROCHE BASLE

INTERNATIONAL PROCEDURE	TASMAR	31/10/1975	R418943	R418943		ROCHE BASLE
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ALGERIA	TASMAR	31/10/1975	R418943	R418943		ROCHE BASLE
ARMENIA	TASMAR	31/10/1995	R418943	R418943		ROCHE BASLE

AUSTRIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
BELARUS	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
BENELUX	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
BOSNIA-HERZEGOVINA	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
BULGARIA	TASMAR	20/07/1987	R418943	R418943	ROCHE BASLE
CROATIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
CZECHIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
EGYPT	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
FRANCE	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
GERMANY	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
HUNGARY	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
ITALY	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
KAZAKHSTAN	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
KIRGIZSTAN	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
LATVIA	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
LIECHTENSTEIN	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
MACEDONIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
MOLDOVA (REP)	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
MONACO	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
MOROCCO	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
PORTUGAL	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE

ROMANIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
RUSSIA	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
SAN MARINO	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
SLOVAKIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
SLOVENIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
SPAIN	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
SUDAN	TASMAR	20/07/1987	R418943	R418943	ROCHE BASLE
TADJIKISTAN	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
UKRAINE	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
UZBEKISTAN	TASMAR	31/10/1995	R418943	R418943	ROCHE BASLE
VIETNAM	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE
YUGOSLAVIA	TASMAR	31/10/1975	R418943	R418943	ROCHE BASLE

SCHEDULE 5.1

INVENTORY

FINISHED DOSAGE FORM INVENTORY

DOSAGE	PACK SIZE	MARKET	# OF PACKS
[*]	[*]	[*]	[*]

Bulk Tablet Inventory - As of January 31, 2003, Seller has in its possession or control a Bulk Tablet Inventory in 100 mg tablet dosage form of about [*] ([*]), stored in Switzerland and having expiration dating no earlier than 30 November, 200[*]. Active Pharmaceutical Ingredient - Inventory as of January 31, 2003 is a total of approximately [*] tons, milled and unmilled, as provided in due diligence investigation conducted by Seller, sufficient to produce: Tasmar film coated tablets 100 MG: [*] Million units; Tasmar film coated tablets 200 MG: [*] Million units.

SCHEDULE 5.1(b)

COUNTRY GROUPING FOR MOQ

[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

SCHEDULE 5.3

COST

Dosage (mg)	Pack size (number of tablets/blister or bottle)	Total Cost per pack (US Dollars)
[*]	[*]	[*]

SCHEDULE 6.9

LITIGATIONS

PENDING NEGOTIATIONS WITH AMAYA CONCERNING TRADEMARK APPLICATION FOR TAJAMAR (ARGENTINA)

PENDING MEDIATION WITH ROEMMERS CONCERNING THE TRADEMARK APPLICATION FOR TEMAR (ARGENTINA)

Exhibit 8.1

SUBSIDIARIES OF AMARIN CORPORATION PLC

SUBSIDIARY NAME	COUNTRY OF INCORPORATION OR REGISTRATION
Amarin Development AB	Sweden
Amarin Pharmaceuticals, Inc.	United States
Gacell Holdings AB	Sweden
Amarin Pharmaceuticals Company Limited	England

EXHIBIT 10.1

AMARIN CORPORATION PLC

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Amarin Corporation plc (the "Company") on Form 20-F for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rick Stewart, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Rick Stewart
- ---------------------------------------
Rick Stewart
Chief Executive Officer

Date: April 24, 2003.

EXHIBIT 10.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Amarin Corporation plc (the "Company") on Form 20-F for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ian R. Garland, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Ian R. Garland
- ----------
Ian R. Garland
Chief Financial Officer

Date: April 24, 2003.