

PROSPECTUS



Offering of 115 000 new Ordinary Shares
in
SMSIRAN

Subscription Period:

From and including the 1st of February
to and including the 15th of March 2008.

Oslo, 31st of January 2008



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No person has been authorised to give any information or make any representation on behalf of SMSIRAN not contained in this Prospectus, including the Subscription Form and, if given or made, such information or representation must not be relied upon as having been authorised. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of SMSIRAN since the date hereof or that the information in this Prospectus or in the documents referred to herein is correct as of any time subsequent to the dates hereof or thereof.

This Prospectus and the related Subscription Form contain important information that should be read before any decision is made with respect to subscribing for shares in the Stock Issue.

The Stock Issue is not being made directly or indirectly in or into the U.S., Canada, Australia or Japan or into such other jurisdictions where the Stock issue cannot be lawfully made.

No action has been taken to permit the distribution of this Prospectus in any jurisdiction where such action is required to be taken. Accordingly, this Prospectus may not be distributed in any such jurisdiction and does not constitute offer to subscribe shares in any such jurisdiction. Persons into whose possession this Prospectus may come are required by SMSIRAN to inform themselves about and to observe such restrictions.

Save as described above, this Stock Issue Prospectus and the related Subscription Form are being emailed by Ahead Capital AS to prospective possible future shareholders.

1 Statements

1.1 Board of Directors of SMSIRAN

This Prospectus has been prepared to provide a basis for defined strategic future partners to consider to subscribe for shares in the Stock issue offered by SMSIRAN.

The Board of Directors of SMSIRAN hereby confirm that, to the best of their knowledge, the material information contained in this Prospectus is in accordance with relevant facts, and contains no omissions likely to materially affect the content of this Prospectus. Market conditions and future prospects are appraised on the basis of best judgement.

Oslo, 31st of January 2008.

The Board of Directors of SMSIRAN AS

Jon Fredrik Fikse
Amir Ashtari

1.2 Auditors

Vekst Revisjon AS is the auditor of SMSIran. Financial figures for 1997 listed in the Prospectus have not been audited as to this date.

Terms and definitions

Ordinary Shares	All outstanding shares in SMSIRAN prior to the Stock Issue
New shares	Shares in SMSIRAN issued in the Stock Issue
Company	SMSIRAN AS
SMSIRAN	SMSIRAN AS
NOK	Norwegian kroner
the Prospectus	The document in hand that is prepared in connection with the Stock Issue made by SMSIRAN.
the Stock Issue	The issue of 115000 Ordinary shares in SMSIRAN.
RISK	Acronym for Norwegian scheme to prevent the double taxation of company profits
Shares	All outstanding Ordinary Shares in SMSIRAN and issued in the Stock Issue
Subscription Form	The form of subscription to be used to subscribe for shares in the Stock Issue
the Subscription Period	The period from and including 20th of January 2008 to 4 p.m. on the 15th of March 2008 when defined investors are allowed to subscribe for shares in the Stock Issue
VPS	Verdipapirsentralen (Norwegian Central Securities Depository). Organises the Norwegian paperless securities registration system
VPS account	An account with VPS for the registration of holdings of securities

2 Summary

2.1 The Stock Issue

Set out below is a summary of the terms and conditions pertaining to the Stock Issue:

Size of the issue:	115 000 new Ordinary shares, each with a nominal value of NOK 0, 27.
Subscription price:	NOK 74.- per Ordinary share.
Subscription period:	From and including 1 st of February to 4 p.m. on 15th of March 2008.
Subscription for Ordinary Shares:	Ordinary Shares may only be subscribed for on a special Subscription Form to be filled in correctly and received by: SMSIRAN AS Jacobsgata 13 2050 Jessheim Norway before 4pm Norwegian time on the 15 th of March 2008 Email: jonff@smsiran.com
The new shares:	The new shares are Ordinary shares and will carry right to dividend from year 2010
Number of Shares before the Stock Issue:	375 000
Number of Shares after the Stock Issue:	490 000
Amount of the new issue:	NOK 8.510.000,-
Over subscription:	Over subscription will not be allowed

2.2 Presentation of SMSIRAN

SMSIRAN was established as a project in November 2003 by Amir Ashtari and Jon Fredrik Fikse. The original business idea was to offer an international SMS gateway from Iran and to let the Iranians abroad pay the messages in both directions. At that time SMS traffic between Iran and the rest of the world was impossible. SMSIRAN's solution was to place a server in Norway connected to international SMS gateways, use Internet as a "message carrier" to Iran, and to place a server and a GSM modem in Iran for exchanging messages with the Iranian network.

Under the domain www.smsiran.com this service was launched shortly before Iranian new year's evening in March 2004. The first marketing campaign was just as simple as it was ingenious: People in Iran sent a message to their friends or relatives abroad. They received a SMS on their mobile phone with the first letters from the original message. To read the complete message they had to register at SMSIRAN. To return a message or receive more messages, they had to purchase SMSIRAN "credits" with their credit card. The service became very popular, and subscriber number 1000 was registered in June.

At the same time the planning of the future started: SMSIRAN targeted being a provider of premium content for Iranians, and also implemented a payment solution in Iran. The idea was to use the Scandinavian mobile markets as a model, where lots of 3rd party providers could offer their content through the operators' networks, and get paid over the phone bill. SMSIRAN aimed to be the hub in the middle with a large member database and a payment solution. Payments were not simple to handle in Iran, where international credit cards like Visa and Mastercard doesn't exist. Payment must be handled by cash cards.

SMSIRAN started developing a cash card solution in the autumn of 2004. At the same time PayPal was implemented as an additional payment solution for international customers. In Q4 2004 the Norwegian operators opened up a SMS connection to Iran. That gave SMSIRAN a great technical advantage and an alternative to the rather limited GSM modem. SMSIRAN offered its first premium content service, "Alias" in November 2004, as the first provider ever in Iran. The Alias service offered the sender to choose an anonymous sender of the SMS message.

During 2005 SMSIRAN started offering its SMS services to corporations. Some companies started sending SMS through SMSIRAN. The cash card solution was launched in Q2 2005, and SMSIRAN started small scale cash card distribution through a partner. SMSIRAN started the development of the chat solution and established a separate website for this; www.iranSMSchat.com. This service was launched in Q4 2005.

During 2005 SMSIRAN's customer base grew from 1 500 to 35 000. SMSIRAN was incorporated as a Norwegian company registered in Brønnøysund in January 2006.

In Q1 2006 SMSIRAN signed the agreement with a large IT player and marketing and service development were intensified. The number of customers grew dramatically, and several new services were given birth. SMSIRAN launched an IP telephony service in Q2 2006, and did also implement payment services from the largest Iranian electronic bank, Parsian Bank.

By the end of 2006 SMSIRAN's customer base was over 200 000.

During 2007 more services was launched, among them a SMS dictionary service and the opportunity to send MMS to all over the world. During 2007 the customer base has grown to more than 340 000.

3 The Stock Issue

3.1 Introduction

SMSIRAN is making an offer to selected investors to subscribe for shares in the Stock Issue, subject to the conditions and the limitations stated in this Prospectus.

The Stock Issue is not being made in any country where the making of the Stock Issue or the subscription would be a violation of the laws of such country. Non-Norwegian shareholders should read Section 4.9 below.

3.2 Purpose of the Stock Issue

SMSIRAN has had limited financial and human capital available in its operating history. The purpose of the Stock Issue is to enable further development of infrastructure, services concept, sales & marketing efforts and organisation.

3.3 Current share capital

SMSIRAN's registered share capital prior to the Stock Issue is NOK 101 250,- divided on 375 000 Ordinary Shares, each with a nominal value of NOK 0,27.

3.4 The Stock Issue

At SMSIRAN's extraordinary general meeting the 31st of January 2008 it was decided to increase SMSIRAN's share capital with NOK 8.510,000,- by the issue of 115 000 Ordinary Shares, each with a nominal value of NOK 0,27. The subscription price was decided to be NOK 74,-.

The offer may only be subscribed by selected investors at the close of business on the 15th of March. Over-subscription is not permitted.

The gross proceeds from the issue will be NOK 8.500,000.

After registration of the Stock Issue, the share capital will be NOK 132.300,- divided into 490 000 Ordinary Shares each with a nominal value of NOK 0,27.

3.5 Purpose of the Stock Issue

The purpose of the stock issue is to secure a financial position to enable further development of the business model in terms of volume of subscribers and average revenue per user (ARPU). The means of the issue will be used for marketing purposes and organizational development.

3.6 Subscription Period

The Subscription Period is from and including the 1st of February to 4 P.M. the 15th of March 2008 (Norwegian time).

Shares shall be subscribed for by filling in the special Subscription Form sent together with this Prospectus. A correctly completed and signed Subscription Form must be received by SMSIRAN at the latest by 4 P.M. Norwegian time on the 15th of March 2008.

Address and email:

SMSIRAN
Jacobsгata 13
2050 Jessheim
Norway
Email: jonff@smsiran.com

3.7 Stock issue participants

Participation in the Stock Issue is given to a number of possible future investors of SMSIRAN.

SMSIRAN has the exclusive right to decide which investor is preferred to subscribe in The Stock Issue.

3.8 Payment

When the subscription form is signed, the subscriber must pay an amount corresponding to the number of shares subscribed to the Company's bank account 5081.07.57350 in DnBNOR. The payment must be made within 48 hours of signing the subscription form.

If the Company does not receive payment within the specified time period, interest at a rate of 12 % per annum will be charged. Furthermore, the Board of SMSIRAN reserves the right to cancel the subscription made or allow other investors to make use of the subscription pursuant to Section 10-12 or 2-13 of the Public Limited Companies Act.

3.9 The new shares

The new shares carry shareholder rights as from such time as the share capital increase is registered with the Norwegian Register of Business Enterprises (Brønnøysund). This is expected to take place within two weeks after the end of the Subscription Period.

Subscribed shares will be transferred when the capital increase has been registered in the Norwegian Register of Business Enterprises.

The new shares will be entitled to dividend from and including the accounting year 2010.

3.10 Non-Norwegian Shareholders

The making of the Stock Issue to shareholders in countries other than Norway may be affected by the laws of other relevant jurisdictions.

This Prospectus will not be deemed to be an offer in any jurisdiction in which, or to any shareholder to whom, it is unlawful to make an offer under the laws of any relevant jurisdiction. All organizations wishing to subscribe for shares in SMSIRAN must satisfy themselves as to the due observance of the laws in the jurisdictions relevant to them, including the receipt of any necessary governmental consent or the payment of any taxes due.

In particular, the offer to subscribe for shares in the Stock Issue is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile, telex or telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of the U.S., Canada, Australia and Japan and the offer cannot be used to subscribe for shares in SMSIRAN by any such use, means or instrumentality or from within the U.S., Canada, Australia and Japan. Copies of this Prospectus, the accompanying Subscription Form and any related offering documents are not being and must

not be distributed or sent in, into or from the U.S., Canada, Australia and Japan including, without limitation, to potential shareholders with registered addresses in the U.S., Canada, Australia and Japan or to custodians, trustees or nominees holding shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute or send them in, into or from the U.S., Canada, Australia and Japan or use the U.S., Canadian, Australian and Japanese mails or any such means or instrumentality for any purposes directly or indirectly related to subscription of shares in SMSIRAN and doing so will render invalid any related purported subscription of shares in SMSIRAN. All shareholders must provide addresses outside the U.S., Canada, Australia and Japan for the return of the Subscription Form and/or other documents of title.

3.11 Governing Law - Jurisdiction

The Stock Issue and subscriptions there under shall be governed by, construed and interpreted in accordance with Norwegian law, and any dispute, controversy or claim arising out of or relating to the Stock Issue and the subscriptions there under, or the breach, termination or invalidity thereof, shall be finally settled by the Norwegian courts, the exclusive and due venue to be Oslo City Court

4 Presentation of SMSIRAN

4.1 Incorporation and history

SMSIRAN was established as a project in November 2003 by Amir Ashtari and Jon Fredrik Fikse. The original idea was to offer SMS between Iran and abroad and let Iranians abroad pay for both sending and receiving the messages. Amir brought the project idea to the table, while Jon Fredrik Fikse, through the company Fikse.net as, had the necessary technology platform. Some of the important milestones and implemented features:

October 2003	The business model and initial services was designed and developed. Building initial infrastructure and system development started immediately.
March 2004	SMSIRAN launched its initial services. The basic service enabled clients to send SMS between Iran and abroad using Internet as the backbone network. Servers, located in Norway, communicated through a GSM modem in Iran. The payment system was completed and included purchase of credits through Visa and Mastercard.
June 2004	SMSIRAN logged its client number 1000.
September 2004	Integration with PayPal was completed and enabled a much more swift payment method for purchasing credits. SMSIRAN started development of the premium content platform and the cash card system.
October 2004	Changed access to Iran through a Norwegian gateway to get an effective and secure alternative to the GSM modem located in Iran.
November 2004	Launched the 1 st content service, “Alias”, through the Norwegian gateway.
April 2005	Launch of the cash card system and more premium services for the Iranian market as the first player in the Iranian market place.
August 2005	Signed an agreement with Aggregator, which enabled news services to be implemented into the services concept. SMSIRAN was chosen to be the SMS gateway for Aggregator’s customers. Started implementing cash card distributors.
November 2005	Launched a SMS Chat service together with the website IranSMSChat.com.
January 2006	Incorporated SMSIRAN as a Norwegian company, registered in Brønnøysund.
March 2006	Agreement with large Iranian IT player regarding an SMS gateway, marketing and support initiatives. Reached 50,000 customers.
April 2006	Finished implementing first 3 rd party service, meaning IP telephone services with SMSIRAN payment solution.

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- | | |
|---------------|--|
| May 2006 | Extended the services concept. Launched a marketing campaign to enhance brand awareness and subsequently increase customer base. The method was simply giving away credits to enable clients to use services for free. |
| June 2006 | Finished integration with Parsian Bank as another method of payment. Offered mobile registration and cash card refill to clients. |
| October 2006 | Launched Java application for installing on mobile phone. Enables customers to use the Java application for ordering services, chat etc. 100,000 customers registered. |
| December 2006 | Running another marketing campaign. Logging more than 1000 new customers a day over a 3 month period. 200,000 customers registered as users. |
| June 2007 | Launched a dictionary service with 50,000 words, translating from English to Persian and vice versa. 300,000 customers. |
| October 2007 | Launching MMS as a service as the first player in Iran. Service enables a client to upload a picture and send it as a MMS internationally (in networks with MMS support). |

4.2 Vision, strategy and goals

4.2.1 Vision

Our vision is to be the number one provider of mobile content services for Iranians in 2010.

4.2.2 Strategy

Sales and Marketing

Focus on building brand image in the period 2008 – 2010.

Products and Services

Further develop and implement core services to give users added value, and as a result rapidly increase ARPU.

Implement a prepaid solution to facilitate the use of services.

Quality

Strong focus on implementation of high quality services in order to increase client base and ARPU.

Organization

Establish and further develop an organizational model with focus on developing partnerships and alliances and promote subscriptions and usage.

Partnerships and alliances

Actively seek strategic partners in a profit sharing scheme for offering additional services to subscribers.

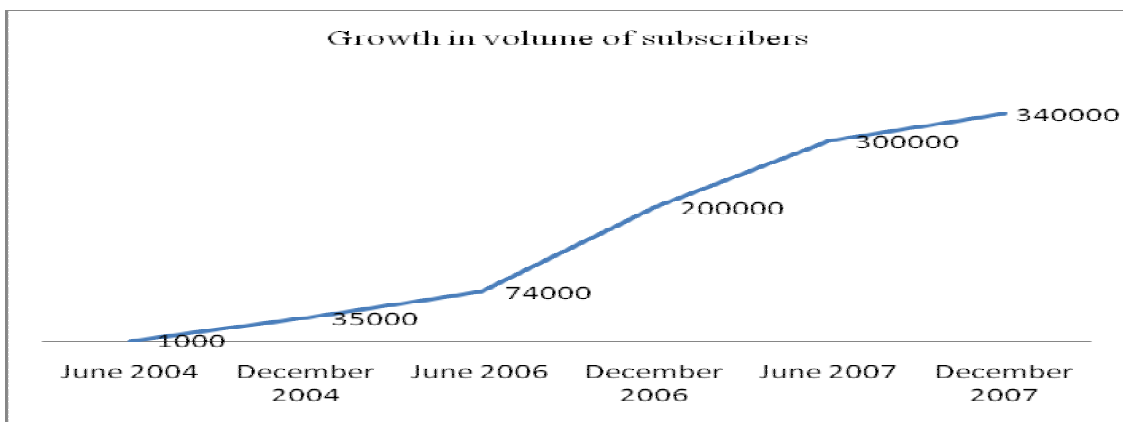
4.2.3 Long term goals

- Grow customer base to 2 million users by the end of 2010 (from 340.000 today).
- Obtain an ARPU of minimum NOK 60 for exile users and NOK 19 for local users at the end of 2010.
- Profit margin of at least 40 % in 2010.

4.3 Description of the business

SMSIRAN has developed a substantial subscriber portfolio through its operating history with limited financial and organisational resources. Key personnel have developed the business concept, services and the technical infrastructure while being fully employed in other capacities.

Whilst focusing building a large subscriber portfolio, different marketing techniques have been applied to attract new users into the system. At the start, SMSIRAN generated users simply as they were supplying a new SMS concept to the market. As exhibited in the diagram below a steady growth rate in volume subscribers materialized the two first years of operation.



At this point a simple SMS service was the single service supplied to the marketplace. In May 2006, SMSIRAN launched a marketing campaign to attract new users. Volume of subscribers increased from 70 000 to 200 000 in this time period. In a 3 month period SMSIRAN logged more than 1000 new users per day. Adding new services and a new payment concept were contributors to the strong growth.

Hence, the growth enjoyed in this period qualifies a dynamic market which is relating to external push through marketing campaigns.

As highlighted by the ARPU, less success have been achieved in generating a substantial revenue growth based on the large client base. The reasoning behind this is:

- The technological status of the Iranian market. Usage is still text based SMS distribution, whilst added value services are starting to pick up at this point in time with GPRS and MMS technology. SMSIRAN, in fact, was the first player to introduce MMS

to the market in October 2007, even though this is supported only in international traffic.

- Payment solutions in Iran are predominantly based on buying cash cards for usage. Credit cards or invoicing through mail is almost non – existing in Iran. As a consequence players must have an organised system in which to distribute cash cards or implement their service with a player that have billing system established. SMSIRAN has as previously described a technical platform to support different payment methods, but are in need of a distribution system for cash cards and a partnership with a billing company.
- In terms of building brand image, SMSIRAN has had no financial resources to familiar their name with added value services and a competitive price structure. Furthermore, there have been no resources to market the different content services displayed in their services concept.
- Operating in Iran implies being proactive in the marketplace with an Iranian organisation focusing sales and marketing. Thus, there is a need of an Iranian sales and marketing staff to consistently promote services and usage.
- Content must have a dynamic nature, pulling users into ordering new content and being curious as to new services. Content production in Iran will vary significantly from what we are used to from the western world with the simple fact that needs and behavioural patterns are different. This implies the need of having a local production unit for content and usage.

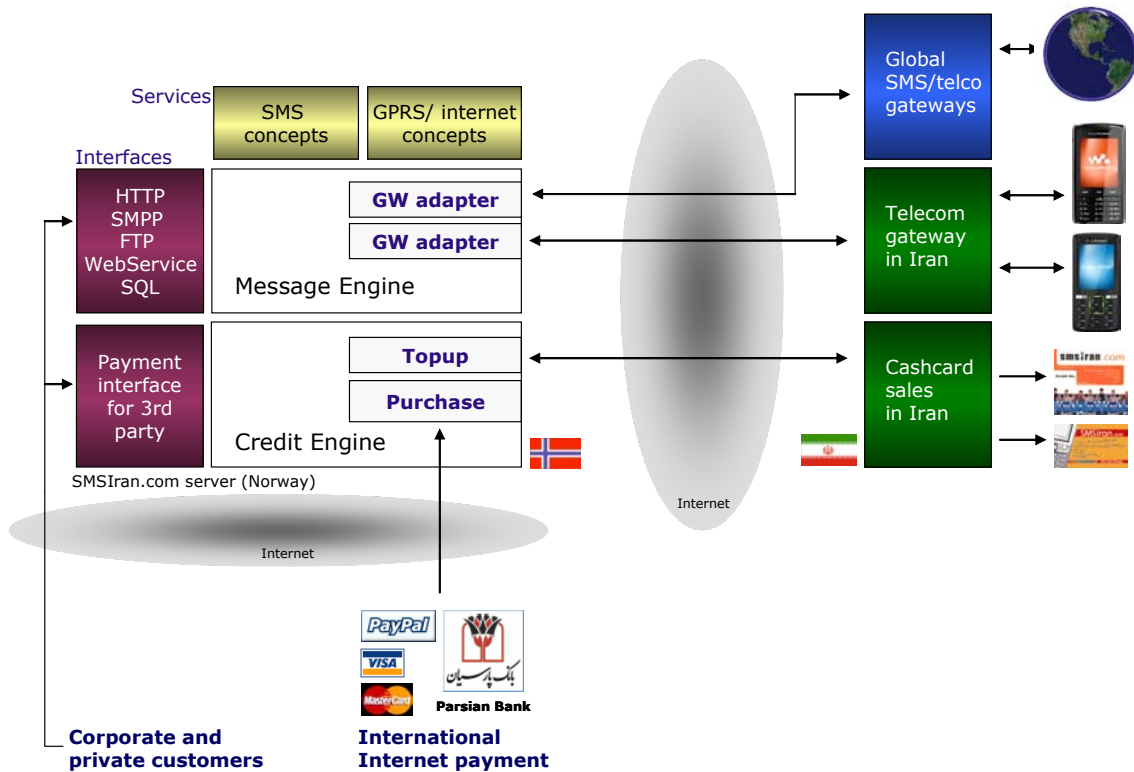
Consequently, financial resources are needed to build and establish the following:

- A sales & marketing organisation inside Iran focusing partnerships and promotional campaigns.
- Content production focusing local needs and behavioural patterns.
- A distribution system for cash cards and partnering with billing systems.

4.3.1 Technical infrastructure

The technical infrastructure has been developed gradually since the launch in 2004. Through the technical infrastructure, SMSIRAN is engaging in three different areas of business as listed below:

- Rendering SMS services as a gateway in and out of Iran.
- Acting as a content provider and aggregator.
- Providing payment solutions for subscribers and partners.



4.3.2 SMSIRAN`s SMS gateway

SMSIRAN as a gateway will take advantage of the SMS traffic both internally in Iran, but also internationally.

Services towards the international market:

- Take advantage of SMS bulk prices for sending messages to Iran and offer SMS to Iranians with competitive pricing
- Integrate SMSIRAN with different messaging tools where users can send SMS to Iran

Services towards the domestic market:

- Offer easy-to-use SMS Internet client for corporations and associations etc. for sending SMS to the domestic and international market.
- Offer international SMS to the domestic market to comparable and competitive prices.

The profit scheme of these services is simply to buy low cost bulk SMS volumes and reselling to individual subscribers at a higher price. This will be a volume service which main purpose is to create activity on the SMSIRAN system

4.3.3 SMSIRAN; a content provider and content aggregator

SMSIRAN will provide content to both the domestic and international market to premium prices. Furthermore, SMSIRAN will produce a considerable part of the content itself and purchase the rest. The content will be SMS and GPRS based, and payment transactions will be through the SMSIRAN payment system or via the phone bill in case the operator has implemented premium billing.

SMSIRAN will also act as a content aggregator by offering 3rd party content to both the domestic and international market to premium prices.

SMSIRAN will make profit from the premium prices of the content. The cost will be content production plus the gross SMS price. If a 3rd party is providing the content or service, SMSIRAN will earn revenue through a profit sharing scheme.

4.3.4 SMSIRAN; a payment solution in Iran

International services normally get paid by credit cards or by loading a credit account. In Iran the traditional credit cards doesn't exist, which prevents lots of international web sites to offer services to domestic Iranians. SMSIRAN has developed a payment system in Iran, where customers can load their account by purchasing cash cards or using an Internet payment terminal of one of the Iranian electronic banks. As a consequence SMSIRAN can render services like:

- Handling payment of phone cards and Internet cards sale, over the Internet.
- Handling payment of IP telephony services.

SMSIRAN will profit from commission when handling the payment transactions.

4.3.5 Content services concept

The services concept is quite similar to the CPA (Content Provider Access) system that was developed in Scandinavia in the late 90's, and adopted in several countries in the following years. The basic idea is to copy a well tested business concept from a mature market and implement it into a less mature market. In order to use SMSIRAN content the customer must first register, which can be accomplished by sending a single SMS, or when using a service for the first time.

- The subscriber registers at SMSIRAN, either via web or by sending a SMS from their cellular phone.
- The payment medium of SMSIRAN is credits. Each content service has a price in credits.
- During registration customers get access to free credits to enable them to immediately start using the system.
- The customer must top up his credit account by purchase more credits.
- There are several ways of purchasing credits, either by use of major credit cards, PayPal the Parsian Bank or through purchasing a cash card in Iran.

The SMSIRAN infrastructure concept is scalable and flexible to grow more content services. Listed below are services that are operational as of today:

SMS Chat	Send SMS to Iran or abroad by typing message in a form and send it to single receiver or a group of contacts.
Jokes - 3 categories	A one shot purchase or as a subscription service.
Horoscope	A one shot purchase or as a subscription service
Alias	Send SMS as an anonymous sender like for instance "Friend".
Zarb	Order old sayings on SMS
Hadis	Order religious principles on SMS
Quotes	Order famous quotes on SMS
Love quotes	Order quotes related to love on SMS
Facts	Order interesting facts as world records and so on
Dictionary	English to a "pinglish" dictionary. Send an English word and get the corresponding farsi word in return ("pinglish" equals farsi written with latin letters)
MMS	upload a picture and send it as a MMS to international networks with MMS support
Example of 3 rd party services:	
Softphone	IP-based telephony, like Skype. Can call to all operators in the world from a downloadable PC program. Payment transaction is done via SMSIRAN credits.
News	A partnership between SMSIRAN and Hamshary, which is one of the largest newspapers in Iran. Customers may subscribe to different news categories

4.3.6 Organisation

SMSIRAN is to establish and build an organisation in Iran and Norway. The proceeds from the Stock Issue will in part be used to employ positions and people in Iran and Norway. The core technical and product resources are situated in Norway, while the sale, support, content creation,

and marketing resources are in Iran. The organisation will constitute the following persons and positions.

Norway:

- Amir H. Ashtari: CEO
- Jon Fredrik Fikse: Chairman of the board. Product manager.
- Torgeir Fikse: CTO. System Architect. Developer
- Leif Bolsø: Webdesigner. Developer
- Kjetil Paaske: Technical infrastructure manager

Iran:

- Alireza: Farsi Web
- Saeed: Flash
- Maryam: Text base contents
- Babak: Simple graphical contents
- Sima: Chat operator
- Hooman: Partner manager
- Nazanin: Sales manager
- +3 more for phone and mail support

4.4 The Market

4.4.1 General information

Iran is the 18th largest country in the world in terms of area, at 1,648,195 km², Iran is about the size of United Kingdom, France, Spain and Germany combined (approximately the size of Alaska). It has a population of over 70 million people (2006). More than 2/3 of the population is under the age of 30. Reason behind this is that the older generations has suffered extremely high mortality rates because the numerous wars and conflicts Iran has participated in since the late seventies. An extremely young population will increase the potential as far as new technology and services.

Some key information:

- Iran borders to: Afghanistan, Armenia, Azerbaijan, Iraq, Pakistan, Turkey, and Turkmenistan.
- Ethnic groups: Persian 51%, Azeri 24%, Gilaki and Mazandarani 8%, Kurd 7%, Arab 3%, Lur 2%, Baloch 2%, Turkmen 2%, other 1%
- Religions: Muslim 98% (Shi'a 89%, Sunni 9%), other (includes Zoroastrian, Jewish, Christian, and Baha'i) 2%
- Languages: Persian and Persian dialects 58%, Turkic and Turkic dialects 26%, Kurdish 9%, Luri 2%, Balochi 1%, Arabic 1%, Turkish 1%, other 2%

The number of Iranian citizens abroad is estimated at some four million people who emigrated to North America, Europe, and Australia, mostly during the Iran-Iraq war in the 1980s.

In 2006 the GDP was estimated at \$193.5 billion (\$599.2 billion at PPP), or \$2,440 per capita (\$8,700 at PPP). As a consequence of these figures and the country's diversified, but small industrial base, the United Nations classifies Iran's economy as semi-developed.

Iran's major commercial partners are China, Germany, South Korea, France, Japan, Russia and Italy. Since the late 1990s, Iran has increased its economic cooperation with other developing countries, including Syria, India, Cuba, Venezuela, and South Africa. Iran is also expanding its trade ties with Turkey and Pakistan and shares with its partners the common goal of creating a

single economic market in West and Central Asia, much like the European Union. Iran also expects to attract billions of dollars of foreign investment by creating a more favourable investment climate, such as reduced restrictions and duties on imports, and free-trade zones in Chabahar, Qeshm and Kish Island.

Globally, Iran has leading manufacturing industry in the fields of car manufacturing and transportation, construction materials, home appliances, food and agricultural goods, armaments, pharmaceuticals, information technology and petrochemicals. Approximately 80% of Iran's export is attributed oil.

MACROECONOMIC STATISTICS ON IRAN

Population	70 million
GDP per capita	2600 US\$
GDP growth 2000 to 2006 in average	5,80 %

TECHNOLOGICAL STATISTICS IRAN 2007

Population covered by mobile coverage	90 %
Internet users per 1000	103
Personal computers per 1000	109
House holds with television	77 %

In terms of income per capita, compared to neighbouring countries, Iran has a large part of the population situated over the poverty limits. In UN terms income classes are defined as follows:

High income equals	55 000 US\$ and higher
Middle income equals	5 000 to 55 000 US\$
Low income equals	Less than 5000 US\$

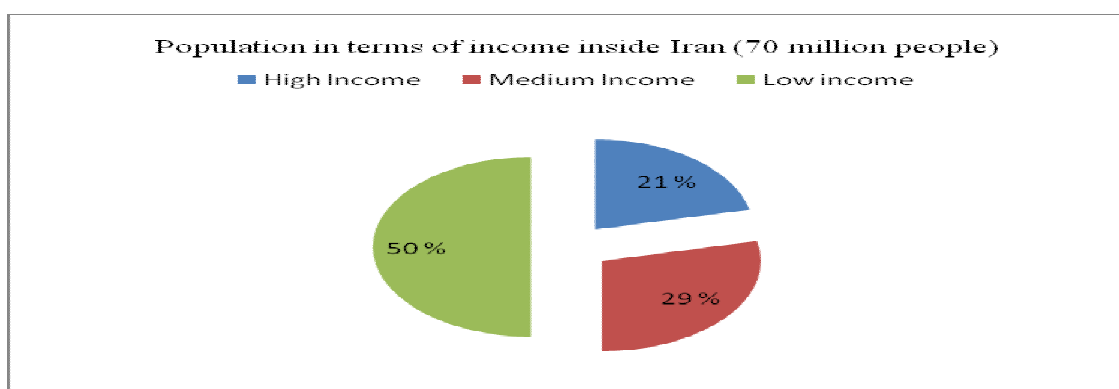
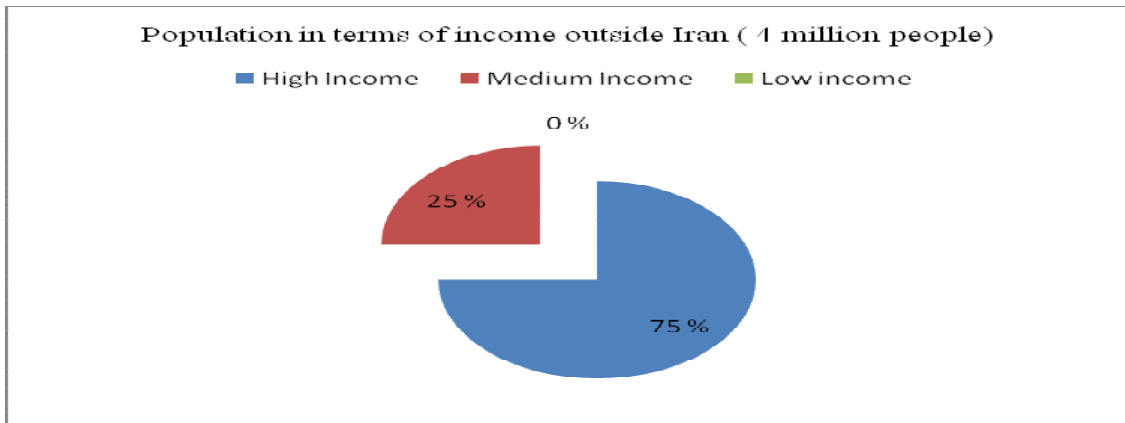


Exhibit above shows the percentage population within the defined income classes. As one can read from the diagram, 50 % of the population of Iran has an income greater than 5000 US\$. Following these numbers one can conclude that the population in Iran has purchasing power in terms of using mobile services. 35 million people has an income of 5 000 US\$ and more. Even more substance is given with the fact that approximately 15 million has an income of 55 000 US\$.



As far as the purchasing power of exile Iranians, their income situation contemplates the income status of the countries they live in, with 3 million of them earning more than 55 000 US\$

4.4.2 The mobile and Internet market in Iran

Despite a rapid growth in mobile subscribers since 1994, when mobile phones were introduced, the quality of services has not improved much. The good news is that several telecommunication development projects are currently underway and it is reasonable to conclude that the situation will improve in the near future.

Minister of CIT, Mohammad Soleimani, says that if Iran fails to develop its mobile phone network to catch up with international developments, it will lose its current status as technologically advanced compared to other regional states.

His Ministry has committed itself to work under Vision 2025 and the Fourth National Development Plan (2005-2010) to realize the objectives, one of which includes rapid progress in the cellular phone sector.

The Iranian government is expected to offer another national cellular licence in late 2008, two years after its last wireless auction, which was won by Iran Cell. The research and development centre at the Ministry of Communications is just now preparing the preliminaries of the auction.

SMS is available on most digital mobile phones or such devices like a Pocket PC, some desktop computers, certain fixed phones that permit sending short messages between mobile phones, other handsets and even landline telephones. SMS is a lucrative business and the CIT has estimated that by end of last Iranian year some 8 billion SMS would be submitted, worth 1,220 billion rials (approximately USD 15 million). This is only message processing, not including premium SMS services.

There are over 18 million Internet users in Iran (2006). Internet access has been through analogue phone lines, where people pay by purchasing prepaid internet cards. But currently ADSL is growing fast in the big cities. There are now over 6100 Internet hosts (2007).

Iran's mobile market grew a 100 % in 2006 in terms of users. This growth ratio in Iran is higher than previously expected considering that predictions in 2005 estimated 100% growth in the next 5 years.

Currently there are 3 main operators in Iran and their market share in terms of users is displayed in the diagram below:



On a total there are approximately 27 million mobile subscribers in Iran by the end of 2007.

4.4.3 TCI

TCI's mobile division (Mobile Communication Company of Iran – MCCI) launched its GSM 900 service in 1994 with a network originally designed and installed by Nokia. It signed up only 362,000 customers in its first five years, but the company has since been unable to keep up with demand. The network is loaded to full capacity, with subscribers often unable to establish a connection, particularly during peak times.

TCI is expanding its network, and millions of Iranians are willing to pay about US\$ 600 for pre-registering for the mobile phone services.

With new players entering the market about 84% of new users from the year 2006 to 2010 are expected to sign up through a prepaid registration procedure.

In late 2006 TCI engaged in a major project to extend its network. It was reported as having used equipment from Nokia, Siemens and Ericsson, in breach of regulation requiring maximum use of domestic manufacturers.

4.4.4 MTN Irancell

In 2006 MTN Irancell finally won the competition to become the second mobile operator in Iran. Turk Cell, which was leading the race, lost the bidding process.

Irancell began operations in Tabriz in September 2006, and started offering SIM cards in Teheran, Tabriz and Mashhad before going nationwide. By March 2007 it had coverage in 26 cities. The second operator sells each SIM cards, at 1.5 million rials and the company has been able to render quality services ever since.

MTN of South Africa owns 49% of Irancell. The remaining shares are owned by Iran Electronic Development Company (IEDC), which itself has two key shareholders; Iran Electronic Industries (IEI – known as SAIRAN) and Mostazafan Foundation (known as Bonyad).

Irancell has currently (Q4 07) achieved to add 6 million subscribers to their mobile phone network. MTN says it expects to push the number of mobile subscriptions in Iran up to 46 million customers by 2011 (Expectation before launch in 2006 was 31 million by 2015).

Irancell entering a previous monopoly has greatly reduced SIM card prices.

However, it is important to recognize that this was achieved via political initiatives. It was the administration that paved the way for introducing the second mobile phone operator, and it was because of such efforts that the SIM card prices reduced significantly during this period, giving more people the opportunity to own a mobile phone.

MTN's CEO, Phuthuma Nhleko, says they will expand Iran's mobile penetration to 40% of the total population by 2015 (from 11% in 2006), with ARPU (average revenue per user) per month reaching US\$11 in December 2007 (from US\$9 in December 2006) as a result of improvements in the quality and capacity of the network, thereby stimulating usage.

Chris Kilowan, who heads up Iran Cells office in Teheran, says that MTN hopes to gain around 50% market share by 2015.

4.4.5 Taliya

Rafsanjani Industrial Complex (RIC) launched GSM 900 services under the Taliya brand in May 2005. RIC was awarded a Build-Operative-Transfer (BOT) contract from TCI, following a contest that involved 35 bidders. Under the terms of its BOT agreement, RIC would build and operate a nationwide GSM network for 2 million prepaid customers. During a 10-year period, which started in February 2005, RIC is to pay 57 % of revenues generated by the network to TCI as a licence royalty. Due to this high royalty rate, RIC is in negotiations with TCI to waive any interconnection which would otherwise be payable for accessing the TCI network. RIC needs this concession to generate a reasonable rate of return. At the end of the 10-year period, ownership of the network will be transferred to TCI at zero cost.

The operator was managed by Luxembourg-based Millicom International Cellular (MIC) until October 2006, when Millicom withdrew from arrangement due to lack of progress in resolving interconnection issues. Millicom had entered in the management agreement with RIC in the fourth quarter of 2003. Under this agreement Millicom agreed to provide management services for a mobile network developed and owned by RIC.

In the late 2006 Taliya had coverage in twenty major cities in eighteen provinces. It has still not been able to sign a roaming agreement with TCI, which said in April 2007 that it would sign an agreement only when Taliya's network performs a capacity of 2 million subscribers.

4.4.6 Mobile Telecommunications Company of Isfahan (MTCE)

MTCE launched prepaid GSM 900 series in June 2002. The operator holds a license to operate services in the province of Isfahan and is a joint venture between the Telecommunication Company of Isfahan Province, Iran Telecommunication Industries and Celcom and MTC of Kuwait.

4.4.7 Telecommunications Kish Company (TKC)

Telecommunication Kish Company (TKC) was incorporated on Kish Island in December 2000, following the award of a BOT contract to Kish Free Zone Organization (KFZO) for GSM 900 Mobile and Internet ISP networks. The owners of former Lebanese mobile operator Liban Cell were partners in the venture. It has about 6000 subscribers and SMS services were launched in 2003.

4.4.8 Market developments

Currently Irancell offers GPRS, launched in 2007. Based on experience in more mature telecom markets, it will take some time until it is fully adopted by the mobile users. Nevertheless, Iranians have several times shown that interesting services are adopted very fast.

Developing mobile internet opens up a broad range of new services which are currently unavailable, for instance advanced ringtones (polyphonic ringtones, real tones, name tones etc),

pictures, MMS, animations, Java games. Iran is just establishing a premium mobile content market. The prices will be lower in Iran than in Western Europe, but with the large number of mobile subscribers there is a huge volume potential.

4.5 SMSIRAN strategy going into 2008

Focus areas: Increase customer database and increase ARPU

Increasing customer database from 340,000 to 500,000:

- Marketing in TV, magazines and via email/ SMS
- Make lottery of products like mobile phones in order to get people to register
- Offer free credits for customers registering and recruiting others
- Use personnel resources to update blogs etc. to tell about SMSIRAN advantages
- Make easy-to-use recruitment by SMS and offer it to our customers
- “Free use” campaigns for several of our products
- Offer new services/ more product development

Increasing ARPU in Iran from NOK 0.8 to NOK 3.6:

- Offer a number of free SMS per day for paying customers
- Cash card sale campaigns
- Bundling with Internet cards in order to reduce distribution cost
- Launch some services/ parts of services only for paying customers
- Better information to the customers about subscription services
- Offer new services/ more product development
- Sales campaigns against the corporate market in order to get them to use SMSIRAN as a gateway

Rent premises in the business district of Teheran in order to place the existing organization in Iran.

4.6 Business objectives 2009 through 2010

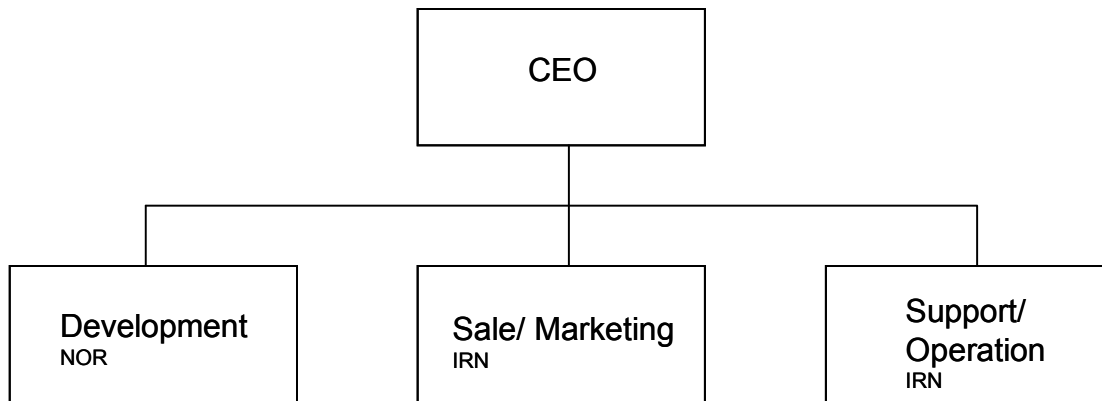
Business objectives 2009 and 2010 will further focus building the volume of subscribers and grow the ARPU. Quantitative goals are as follows:

2009 - Subscribers at year end	1 400 000
2009 - ARPU per year international subscribers	NOK 30,-
2009 - ARPU per year local subscribers	NOK 9,-
2010 - Subscribers at year end	2 000 000
2010 - ARPU per year international subscribers	NOK 60,-
2010 - ARPU per year local subscribers	NOK 19,-

5.7 Organizational model

The idea is to use competent technical staff in Norway for development and server operation, but take advantage of the low cost in Iran and establish sales, marketing, support and other operations in Iran.

The CEO (Amir H. Ashtari) will travel between Iran and Norway, but will spend most of his time in Iran. The organisational chart when going into 2008 is as follows:



SMSIRAN has entered into a rental agreement in the city of Teheran to house the staff of future operations.

4.8 Governing bodies, management and employees

4.8.1 Governing Bodies

Board of Directors

Jon Fredrik Fikse Chairman
Amir Ashtari

4.8.2 Management

Amir Ashtari Managing Director
Jon Fredrik Fikse Product Manager
Nazanin Sales Manager
Hooman Partner Manager

4.8.3 Employees

Norway:

- Amir H. Ashtari: CEO
- Jon Fredrik Fikse: Chairman of the board. Product manager.
- Torgeir Fikse: CTO. System architect. Developer
- Leif Bolsø: Webdesigner. Developer
- Kjetil Paaske: Technical infrastructure manager

Iran:

- Alireza: Farsi Web
- Saeed: Flash
- Maryam: Text base contents
- Babak: Simple graphical contents
- Sima: Chat operator
- Hooman: Partner manager
- Nazanin: Sales manager

4.9 Background, experience, competence key personnel

4.9.1 Amir H. Ashtari

Education: Electrical Engineer, M.Sc. 1996.

Norwegian University of Science and Technology, NTNU in Trondheim, Norway

Before Amir started his own business in 2002 he worked 4 years in Oil and Gas sector as project engineer (Aker Kvaerner) and 2 years within telecom and wireless technology as product manager (Ericsson Components).

In 2002 he started the company Telefonkort.net AS (www.telefonkort.net), which was the first company in Norway selling prepaid calling cards on internet. Telefonkort.net became a success in 2003 and got a lot of media attention. The company's yearly turn over is 5 million NOK.

During the last years Amir has focused on business development within value added services in telecom and also technical consultancy in and oil and gas sector (www.amir.no). He has built a good business network in Iran and Norway and uses his knowledge of both cultures and markets, for making new business.

4.9.2 Jon Fredrik Fikse

Education: IT Engineer 1987.

Gjøvik University College in Gjøvik, Norway

With more than 20 years in the Scandinavian IT and Media industry Jon Fredrik Fikse has built a very universal experience within IT, telecom, and payment solutions. In the mid 90s he played a leading role in the group that gave birth to the web edition of Norway's largest newspaper Aftenposten. After a couple of years as a business developer, project manager, and product designer in the electric power industry, Jon Fredrik founded fikse.net AS (www.fikse.net) in the year 2000. Fikse.net AS is today a consultancy company rated AAA (possessed by only 4% of Norwegian companies).

As a Fikse.net consultant Jon Fredrik Fikse has developed and established a broad range of products and services for several corporations. They include:

- SMS-platform/ framework for implementing different SMS concepts
- More than 30 different SMS and mobile concepts
- A SMS call back phone service system combined with a mobile payment solution
- Escrow payment system for secure payments between persons - long distance
- Online financing services for consumers (loan and credit account) including digital signing process

Jon Fredrik has a unique combination of business understanding and technical knowledge, which is powerful when designing new products, services, and business concepts. In addition, specification of projects and project management are key areas of competence.

4.10 Financial information

SMSIRAN's fiscal year end is 31st of December each year.

The income statements presented below are based on SMSIRAN's audited financial report as of 31st of December 2007 approved by the extraordinary general meeting. This report is included as Appendix to the Prospectus. The balance sheets presented on the next page as of 31st of December 2007 are also based on this audited financial report.

The financial report for 2007 has been audited and approved by the governing bodies of SMSIRAN.

4.10.1 Income Statement

	31.12.2007	2006
Total Net Revenues	307,526	240,300
Total Costs	565,955	699,100
Profit/Loss	(258,429)	(458,800)
Finance	410	2252
Profit/Loss before tax	(258,019)	(456,548)
Tax	0	0
Net profit	(258,019)	(456,548)

4.10.2 Balance Sheet

	31.12.2007	2006
Total Current Assets	91,934	123,526
Fixed Assets	0	0
Total Assets	91,934	123,526
Total Liabilities	36,500	70,074
Shareholder Equity		
	55,434	53,451
Total Liabilities & Equity	91,934	123,526

4.10.3 Accounting Principles

The presentation of the profit and loss accounts per 31st of December have been prepared in compliance with the Norwegian Accounting Act 1998 and Norwegian generally accepted accounting principles. In view of SMSIRAN's operation out of the Norwegian market the amounts shown in these financial statements are presented in NOK.

4.10.4 Cash Reserves

As of 31st of December 2007, SMSIRAN had consolidated cash equivalents of NOK 82.000,-.

4.11 Legal and environmental matters

4.11.1 Legal

Other than disclosed in this Prospectus, there are no outstanding legal proceedings material to SMSIRAN to which SMSIRAN is a party or which any of their property is the subject, and, to the knowledge of SMSIRAN, none are known to be contemplated.

4.11.2 Environmental

Other than disclosed in this Prospectus, SMSIRAN is not aware of any cases where the company are involved in any dispute with the local authorities concerning the environment and environment damage.

4.11.3 Labour Relations

Other than described in this Prospectus, SMSIRAN is not aware of any pending or threatening disputes with employees or hired contractors.

4.11.4 The Board of Directors

The board represents 274 299 Ordinary Shares before the stock issue.

4.12 Share Capital and Shareholder Matters.

4.12.1 Share capital prior to the Stock Issue

SMSIRAN's registered share capital prior to the Stock Issue is NOK 101 250,- as of the date of this Prospectus. Total number of Shares outstanding is 375 000 each with a par value of NOK 0,27.

SMSIRAN does not hold, as of the date of this Prospectus, any of its own shares.

4.12.2 Options

SMSIRAN has no options issued to any internal or external party.

4.12.3 Share Capital Changes

There has been the following change in share capital since incorporation as presented in the table below.

Date	Type of change	Amount (NOK)	Par value (NOK)	Change in number of outstanding shares	Number of shares	Share capital (NOK)
Jan 1 06	Incorporation	250000	2.50	100000	100000	250000
Dec 19 06	Stock issue	250000	2.50	100000	200000	500000
Feb 10 07	Stock issue	250000	2.50	100000	300000	750000
Jan 31 08	Reduced Share capital	0	0,27	0	300000	81000
Jan 31 08	Option conversion	20250	0,27	75000	375000	101250

4.12.4 Shareholders

The shareholders in SMSIRAN of the date of the Prospectus are as follows:

Shareholder	Shares held	Per cent
Amir Ashtari	162 709	43,39 %
Jon Fredrik Fikse	110 650	29,51 %
Torgeir Fikse	33 610	8,96 %
Leif Bolsø	17 956	4,79 %
Mehrdad Sadegi	15 818	4,22 %
Ali Saveghi	10 263	2,73 %
Aksel Skretting	7 592	2,02 %
Kjetil Paaske	6 328	1,69 %
Jan Fredrik Wedèn	5 064	1,35 %
Ahmad Fallah	5 000	1,33 %
Total outstanding shares	375 000	100 %

After the completion of the stock issue the shareholders of SMSIRAN will be as follows:

Shareholder	Shares held	Per cent
Amir Ashtari	162 709	33,21 %
Jon Fredrik Fikse	110 650	22,58 %
Torgeir Fikse	33 610	6,86 %
Leif Bolsø	17 956	3,67 %
Mehrdad Sadegi	15 818	3,23 %
Ali Saveghi	10 263	2,09 %
Aksel Skretting	7 592	1,55 %
Kjetil Paaske	6 328	1,29 %
Jan Fredrik Wedèn	5 064	1,03 %
Ahmad Fallah	5 000	1,02 %
Investors	115 000	23,47 %
Total outstanding shares	490 000	100 %

4.12.5 Authorisation to issue new Shares and options

On the 31st of January 2008 the extraordinary general meeting gave the Board of Directors authorization to increase the share capital by NOK 31.050,- divided into 115 000 new shares with a nominal value of NOK 0,27 per share. The subscription price shall be NOK 74,- per share.

The Stock Issue is further described in chapter 2 of this Prospectus.

4.12.6 Share capital after the completion of the Stock Issue

After the completion of the Stock Issue, the share capital will be NOK 132.300,- divided by 490 000 Ordinary Shares, each with a nominal value of NOK 0,27.

4.12.7 Share price

There has been no trading in SMSIRAN's shares at any given point in time.

4.12.8 Shareholder Registry

The company's will register its Shares with the Norwegian Share Registry (Verdipapirsentralen or VPS). VPS is an electronic, non-paper registry of shares and securities before completing the Stock issue.

4.12.9 Shareholders' Meetings

The ordinary shareholders' meeting is held once every year.

4.12.10 Dividend Policy

SMSIRAN is not expected to pay any dividends if the company is not producing a positive result.

5 Risk factors

Investing in shares always involves certain risks. The risks set out below are neither exhaustive, nor are they set out in any order of priority.

5.1 History of net profit

The Company has experienced net profits since its commencement of commercial activities in 200 until now.

The Company does not expect to incur operation losses in 2008 and 2009. The amount of future profits and when is uncertain. No assurance can be given that the Company will be able to achieve profitability or that profitability, if achieved, can be sustained.

No assurance can be given that the Company will be able to obtain sufficient additional funding from sources of equity or debt.

5.2 Short operating history

SMSIRAN first began offering their services the third quarter 2004 in Norway. Thus, the company has a short operating history in the market and there is no guarantee the Company can achieve further growth in the markets it operates. Furthermore, no assurance can be given that the market will accept the business concept in the future.

5.3 The risk of rapid growth

Since commencing their operations the Company has experienced substantial growth. Rapid growth is normally a challenge for any organisation.

It is expected that the Company will continue to expand in the future. No guarantees can be given as to how the Company' management, other personnel and the administrative systems will cope with such a growth.

5.4 Risks related to the technology

Unexpected network interruptions caused by system failures or viruses may result in reduced visitor traffic, reduced revenue and harm the reputation of the company. The servers and software must be able to accommodate a high volume of traffic. If the company cannot add additional software and hardware to accommodate increased demand, the result might be unanticipated system disruptions and slower response times. Any system failure, including network, software or hardware failure that causes an interruption in the delivery of the services, could result in reduced visitor traffic, reduced revenue and reduced goodwill.

5.5 Uncertainty of additional funding

The size and timing of the Company's cash flow will depend upon several factors, many of which are beyond SMSIRAN's control.

There can be no assurance as to when the Company will have a positive cash flow. If the Company will need more capital, there can be no assurance that additional funds will be available on favourable terms or that such funds, if raised, will be sufficient to permit SMSIRAN to conduct its operations as currently planned.

5.6 Competition

The Company has several international and local competitors in the markets they have approached. The risk is that the Company will not be able to establish and maintain a leading position in the Norwegian markets due to strong local competition.

5.7 Dependence on management and employee capabilities

No assurance can be given that the present or future members of the management of the Company are capable of successfully addressing and managing the inherent risks of the Company, which, individually or collectively, could have a material adverse effect on the Company's business, financial condition and results of operation.

5.8 Attraction and retention of key personnel

The Company is highly dependent on its management and key employees. The failure to successfully attract and retain qualified personnel, consultants and advisors may impede the achievement of the Company's objectives and have a material adverse effect on the Company's business, financial condition and results of operations.

5.9 Potential share price volatility

There can be no assurance that an active market for the shares of the Company will develop in the future or, if such a market develops that it can be maintained. Absence of a liquid market for the shares may have a significant adverse effect on the marketability and performance of the shares.

Furthermore, prospective investors should be aware that market prices for shares in Companies with a short history have historically been highly volatile.

6 Tax matters

The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares.

6.1 Taxation on dividends

7.1.1. Norwegian shareholders

Dividends derived by Norwegian resident shareholders are in principle taxable as ordinary income. Dividend payments from a Norwegian company to a Norwegian shareholder are taxable for such shareholders at a flat rate of 28%.

Norwegian personal shareholders are however entitled to deduct a calculated allowance when calculating their taxable dividend income. The allowance is calculated on a share-by-share basis. For shares acquired after 1 January 2006, the allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate. For shares acquired prior to 1 January 2006, the cost price include accumulated RISK adjustments per 1 January 2006 (RISK is the Norwegian abbreviation for the variation of the company's retained earnings after tax during the ownership of the shareholder). The allowance is calculated for each calendar year, and is allocated solely to Norwegian personal shareholders holding shares at the expiration of the relevant calendar year. Norwegian personal shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share can be added to the cost price of the share and included in the basis for calculating the allowance the following years

7.1.2. Non-resident shareholders

Dividend paid to non-resident shareholder is subject to Norwegian withholding tax of 25% unless a lower tax has been agreed upon in applicable tax treaty. Norway has entered into tax treaties with a number of countries and withholding tax is normally reduced under these treaties. The shareholders home country will normally give credit for the Norwegian withholding tax imposed on the dividend.

Nominee registered shares will be subject to withholding tax of 25% unless the nominee has obtained approval from the Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is committed to file a summary to the tax authority including all beneficial owners that are subject to lower withholding tax.

Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

The withholding obligation lies with the company distributing dividends.

6.2 Taxation on capital gains on disposal of shares

7.2.1. Norwegian shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian personal shareholder through a realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. The ordinary income is taxable at a rate of 28%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is equal to the sales price less the Norwegian personal shareholder's cost price of the shares, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian personal shareholders are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce taxable dividend income, see "Taxation of dividends- Norwegian personal shareholders". For shares acquired after 1 January 2006, the allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate. For shares acquired prior to 1 January 2006, the cost price includes accumulated RISK adjustments per 1 January 2006.

The allowance is calculated for each calendar year, and is allocated solely to Norwegian personal shareholders holding shares at the expiration of the relevant calendar year. Norwegian personal shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. The allowance may only be deducted in order to reduce a taxable gain, and may not be deducted in order to increase or produce a deductible loss.

If the Norwegian personal shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis. A Norwegian personal shareholder who moves abroad and ceases to be tax resident in Norway as a result of this, is deemed taxable in Norway for any potential gain related to the shares held at the time the tax residency ceased, as if the shares were realized for tax purposes at this time. Net gains of NOK 500,000 or less are not taxable. Potential losses are as a main rule not deductible. If the shareholder moves to a jurisdiction within the European Economic Area ("EEA"), potential losses related to shares held at the time the tax residency ceases will be tax deductible when exceeding the NOK 500,000 threshold. The actual taxation (loss deduction) will occur at the time the shares are actually realized for tax purposes. If the shares are not realized for tax purposes within five years after the shareholder ceased to be resident in Norway for tax purposes, or was regarded as tax resident in another jurisdiction according to an applicable tax treaty, the tax liability calculated under these provisions will not apply.

7.2.2. Non-resident shareholders

Gains from the sale or other disposal of shares by a Foreign personal shareholder will not be subject to taxation in Norway unless the Foreign personal shareholder (i) holds the shares in connection with the conduct of a trade or business in Norway or (ii) has been a tax resident of Norway within the five calendar years preceding the year of the sale or disposition (and whose gains are not exempt pursuant to the provisions of an applicable income tax treaty).

6.3 Net wealth tax

The value of shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 1.1%

Unlisted shares are as the main rule valued at 85% of the pro rata share of the company's total net taxable value as of January 1 in the year before the assessment year. The tax authorities determine the total net taxable value.

Non-resident shareholders are normally not subject to wealth taxation in Norway.

8. Appendices

Appendix 1: Budget 2008 to and including 2010