AMARIN CORP PLC\UK
Form 20-F
October 22, 2009

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

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

OR

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

OR

o SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DATE OF EVENT REQUIRING THIS SHELL COMPANY REPORT

Commission file number 0−21392

AMARIN CORPORATION PLC

(Exact Name of Registrant as Specified in Its Charter)
England and Wales
(Jurisdiction of Incorporation or Organization)
First Floor, Block 3, The Oval
Shelbourne Road, Ballsbridge
Dublin 4, Ireland
(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, 50 pence 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.

27,046,716 Ordinary Shares, 50 pence par value per share

Indicate by check mark if the registrant is a well−known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES o NO x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES o NO x

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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 o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b−2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer o Non-accelerated filer x

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:
U.S. GAAP o
International Financial Reporting Standards as issued by the International Accounting Standards Board x

Other o

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

ITEM 17 o ITEM 18 x

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b−2 of the Exchange Act).

YES o NO x

TABLE OF CONTENTS

INTRODUCTION

This report comprises the annual report to shareholders of Amarin Corporation plc (NASDAQCM: 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, 2008.

As used in this annual report, unless the context otherwise indicates, the terms "Group", "Amarin", "we", "us" and "our" refer Amarin Corporation plc and its wholly owned subsidiary companies. Also, as used in this annual report, unless the context otherwise indicates, the term "Company" refers to Amarin Corporation plc, the parent company of the Group. Laxdale Limited, a company which we acquired in October 2004 and is now known as Amarin Neuroscience Limited, may be referred to herein as "Amarin Neuroscience" or "Laxdale." Ester Neurosciences Limited, a company which we acquired in December 2007 may be referred to herein as "Ester Neurosciences" or "Ester".

Also, as used in this annual report, unless the context otherwise indicates, the term "Ordinary Shares" refers to our Ordinary Shares, par value 50 pence per share, the term "Preference Shares" refers to our authorized preference shares, par value 5 pence per share and the term "Series A Preference Shares" refers to our Series A Preference Shares, par value 50 pence 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 one-for-ten Ordinary Share consolidation effective on July 17, 2002 whereby ten Ordinary Shares of 10 pence each became one Ordinary Share of £1.00 each, to the subsequent sub-division and conversion of each issued and outstanding Ordinary Share of £1.00 each on June 21, 2004 into one Ordinary Share of 5 pence and one deferred share of 95 pence (and the subsequent purchase by the Company and cancellation of all such deferred shares) and each of the authorized but unissued Ordinary Shares of £1 each in the capital of the Company into 20 Ordinary Shares of 5 pence each and to our one-for-ten Ordinary Share consolidation effective on January 18, 2008 whereby ten Ordinary Shares of 5 pence each became one Ordinary Share of 50 pence each.

In addition, as used in this annual report, the term "Debentures" refers to our 8% Convertible Debentures due 2010 which were issued on December 6, 2007 in connection with the financing of our acquisition of Ester. These debentures were redeemed in full in May 2008.

On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share ("ADS") and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

See Item 8B "Significant changes" for further information.

In this annual report, references to "pounds sterling," "£" or "GBP£" are to U.K. currency, references to "U.S. Dollars", "$" "US$" are to U.S. currency, references to "euro" or "€" are to Euro currency and references to "New Israeli Shekel", "NIS "shekel" are to Israeli currency.

This annual report contains trademarks, tradenames or registered marks owned by Amarin or by other entities, including:

- Nanocrystal®, which during the fiscal year covered by this report was registered in Elan Corporation plc or its affiliates, which we may refer to in this annual report as “Elan”.

- Permax®, which during the fiscal year covered by this report was registered in Eli Lilly and Company or its affiliates, which we may refer to in this annual report as “Lilly”.

CAUTIONARY NOTE REGARDING FORWARD–LOOKING STATEMENTS

This annual report contains forward-looking statements about our financial condition, results of operations, business prospects and products in research and involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as “will”, “anticipate”, “estimate”, “project”, “forecast”, “intend”, “plan”, “believe” words and terms of similar meaning in connection with any discussion of future operating or financial performance or events. Among the factors that could cause actual results to differ materially from those described or projected herein are the following;

- The success of our research and development activities;
- Decisions by regulatory authorities regarding whether and when to approve our drug applications, as well as their decisions regarding labeling and other matters that could affect the commercial potential of our products;
- The speed with which regulatory authorizations, pricing approvals and product launches may be achieved;
- The success with which developed products may be commercialized;
- Competitive developments affecting our products under development;
- The effect of possible domestic and foreign legislation or regulatory action affecting, among other things, pharmaceutical pricing and reimbursement, including under Medicaid and Medicare in the United States, and involuntary approval of prescription medicines for over-the-counter use;
- Claims and concerns that may arise regarding the safety or efficacy of our product candidates;
- Governmental laws and regulations affecting our operations, including those affecting taxation;
- Our ability to maintain sufficient cash and other liquid resources to meet operating requirements and debt service requirements;
- General changes in International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“E.U.”) and as issued by the International Accounting Standards Board (“IASB”);
- Patent positions can be highly uncertain and patent disputes are not unusual. An adverse result in a patent dispute can hamper commercialization of products or negatively impact sales of future products or result in injunctive relief and payment of financial remedies;
- Uncertainties of the U.S. Food and Drug Administration (“FDA”) approval process and the regulatory approval processes in other countries, including, without limitation, delays in approval of new products;
- Difficulties in product development. Pharmaceutical product development is highly uncertain. Products that appear promising in development may fail to reach market for numerous reasons. They may be found to be ineffective or to have harmful side effects in clinical or pre-clinical testing, they may fail to receive the necessary regulatory approvals, they may turn out not to be economically feasible because of manufacturing costs or other factors or they may be precluded from commercialization by the proprietary rights of others;

- Growth in costs and expenses; and
- The impact of acquisitions, divestitures and other unusual items.

PART I

Item 1 Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2 Offer Statistics and Expected Timetable

Not applicable.

Item 3 Key Information

A. Selected Financial Data

General

The following table presents selected historical consolidated financial data. The selected historical consolidated financial data as of December 31, 2008, 2007 and 2006 and for each of the years ended December 31, 2008, 2007 and 2006 have been derived from our audited consolidated financial statements beginning on page F-1 of this annual report, prepared in accordance with IFRS as adopted by the E.U. and as issued by the IASB, which have been audited by PricewaterhouseCoopers, an independent registered public accountant firm, for the years ended December 31, 2008, 2007 and 2006.

The selected historical consolidated financial data as of December 31, 2004 and 2005 and for the years then ended has been derived from our audited historical financial statements prepared in accordance with generally accepted accounting principles in the United Kingdom ("U.K. GAAP") which are not included in these financial statements.

Unless otherwise specified, all references in this annual report to "fiscal year" or "year" of Amarin refer to a twelve-month financial period ended December 31. We prepare our consolidated financial statements in accordance with IFRS as adopted by the E.U. and as issued by the IASB.

We adopted IFRS for the first time for our financial year ended December 31, 2007. Our audited Consolidated Financial Statements as of and for the year ended December 31, 2006 were originally prepared in accordance with U.K. GAAP. As part of our adoption of IFRS, we have restated our Consolidated Financial Statements in accordance with IFRS for comparative purposes.

During 2002 our Ordinary Shares were consolidated on a ten-for-one basis. Concurrently, we amended the terms of our American Depositary Shares, or ADSs, to provide that each ADS would represent one Ordinary Share. Previously each ADS had represented ten Ordinary Shares of 10 pence each. In June 2004 we converted each of our £1 Ordinary Shares into one Ordinary Share of 5 pence and one deferred share of 95 pence (with such deferred shares having been subsequently cancelled). This share conversion in 2004 did not affect the ratio as between our Ordinary Shares and our ADSs but is recorded below in the year 2004. On January 18, 2008 our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5 pence each became one Ordinary Share of 50 pence 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.

On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share ("ADS") and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

See Item 8B “Significant changes” for further information.

Selected Consolidated Financial Data — IFRS

	2008	2007 as restated(1)	2006
	(In U.S. $, thousands except per share data and number of shares information)		
Statement of Operation Data — IFRS			
Net sales revenues	—	—	500
Total loss from operations	(28,180)	(40,733)	(28,068)
Net loss	(20,021)	(37,800)	(26,751)
Net loss per Ordinary Share – basic*	(0.91)	(3.86)	(3.25)
Net loss per Ordinary Share – diluted*	(0.91)	(3.86)	(3.25)
Consolidated balance sheet data — amounts in accordance with IFRS			
Working capital assets	10,069	11,072	28,710
Total assets	36,657	42,254	49,559
Long term obligations	(651)	(4,801)	(110)
Capital stock (ordinary shares)	25,928	12,942	7,990
Total shareholders’ equity	28,898	26,797	38,568
Number of ordinary share in issue (thousands)*	27,047	13,906	9,068
Denomination of each ordinary share*	£0.50	£0.50	£0.50

(1) see our annual report on Form 20-F/A filed with the SEC on September 24, 2008 for information on our restatement.

* On January 18, 2008, our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5p each became one Ordinary Share of 50p. Shares and share information above have been adjusted to reflect this share consolidation.

Selected Consolidated Financial — U.K. GAAP

	Years Ended December	
	2004** as restated	2005** as restated
	(In U.S. $, thousands except per share data and number of shares information)	
Statement of Operations Data — U.K. GAAP		
Net sales revenues	1,017	500
Total loss from operations	(11,875)	(20,478)
Loss from continuing operations	(10,608)	(20,478)
Net income/(loss)	3,229	(20,547)
Loss from continuing operations per Ordinary Share*	(4.71)	(4.45)
Net income/(loss) per Ordinary Share – basic*	1.43	(4.41)

Net income/(loss) per Ordinary Share – diluted*	1.43	(4.41)
Consolidated balance sheet data — amounts in accordance with U.K. GAAP		
Working capital assets	8,651	28,673
Total assets	23,721	46,760

Long term obligations	(2,687)	(180)
Capital stock (ordinary shares)	3,206	6,778
Total shareholders' equity	16,693	38,580
Number of ordinary shares in issue (thousands)*	3,763	7,755
Denominations of each ordinary share*	£0.50	£0.50

For previously reported 2006 financial information prepared under U.K. GAAP please see our 2006 Annual Report on Form 20-F filed with the SEC on March 5, 2007.

* On January 18, 2008, our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5p each became one Ordinary Share of 50p. Shares and share information above has been adjusted to reflect this share consolidation.

** As restated for the non-cash compensation expense due to the adoption of U.K. GAAP, Financial Reporting Standard 20 "Share-based payments".

Exchange Rates

We changed our functional currency on January 1, 2003 from pounds sterling to U.S. Dollars to reflect the fact that the majority of our transactions, assets and liabilities were denominated in that currency. Consequently, all data provided in this annual report is in U.S. Dollars from 2003.

As some of our assets, liabilities and transactions are denominated in pounds sterling and euro, the rate of exchange between pounds sterling and the U.S. Dollar and between euro and U.S. Dollar, which is determined by supply and demand in the foreign exchange markets and affected by numerous factors, continues to impact our financial results. Fluctuations in the exchange rates between the U.S. Dollar and pounds sterling and between U.S. Dollar and euro may affect any earnings or losses reported by us and the book value of our shareholders' equity as expressed in U.S. Dollars, 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 U.S. Dollars per pound sterling:

Fiscal Period	Average Noon Buying Rate (U.S. Dollars/ pound sterling)
12 months ended December 31, 2004	1.8356
12 months ended December 31, 2005	1.8204
12 months ended December 31, 2006	1.8434
12 months ended December 31, 2007	2.0073
12 months ended December 31, 2008	1.8546

5

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 Board for pounds sterling expressed in U.S. Dollars per pound sterling:

Month	High Noon Buying Rate (U.S. Dollars/ pound sterling)	Low Noon Buying Rate (U.S. Dollars/ pound sterling)
April 2009	1.4990	1.4607
May 2009	1.6160	1.4881
June 2009	1.6547	1.5976
July 2009	1.6713	1.6027
August 2009	1.6977	1.6212
September 2009	1.6695	1.5910

The noon buying rate as of October 20, 2009 was 1.6402 U.S. Dollars per pound sterling.

B. Capitalization And Indebtedness

Not applicable.

C. Reasons For The Offer And Use Of Proceeds

Not applicable.

D. Risk Factors

RISK FACTORS

You should carefully consider the risks and the information about our business described below, together with all 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 develops into actual events, our business, financial condition and results of operations could be materially and adversely affected. In such an instance, the trading price of our ADSs and Ordinary Shares could decline.

We have a history of losses, and we may not be able to attain profitability in the foreseeable future.

We have not been profitable in four of the last five fiscal years. For the fiscal years ended December 31, 2004 and 2005, we reported profits/(losses) under U.K. GAAP of approximately $3.2 million and $(20.5) million respectively. For the fiscal years ended December 31, 2006, 2007 and 2008 we reported losses under IFRS of approximately $26.8 million, $37.8 million and $20.0 million respectively. Unless and until marketing approval is obtained from either the U.S. Food and Drug Administration, which we refer to as the FDA, or European Medicines Evaluation Agency, which we refer to as the EMEA, for any of our products, or we are otherwise able to acquire rights to products that have received regulatory approval or are at an advanced stage of development and can be

readily commercialized, we may not be able to generate sufficient revenues in future periods to enable us to attain profitability.

We acquired Amarin Neuroscience (formerly Laxdale Limited) on October 8, 2004 and Ester Neurosciences Limited on December 5, 2007. We continue to have limited operations, assets and financial resources. We currently have no marketable products or other source of revenues other than the Multicell out-licensing contract described herein. All of our current products are in the development stage. The development of pharmaceutical products is a capital intensive business. Therefore, we expect to incur expenses without corresponding revenues at

least until we are at an advanced stage of development or are able to obtain regulatory approval and sell our future products in significant quantities. This may result in net operating losses until we can generate an acceptable level of revenues, which we may not be able to attain. Further, even if we do achieve operating revenues, there can be no assurance that such revenues will be sufficient to fund continuing operations. Therefore, we cannot predict with certainty whether we will ever be able to achieve profitability.

In addition to advancing our existing development pipeline, we may also acquire rights to additional products. However, we may not be successful in doing so. We may need to raise additional capital before we can acquire any products. There is also a risk that any of our development stage products we may acquire will not be approved by the FDA or regulatory authorities in other countries on a timely basis or at all. The inability to obtain such approvals would adversely affect our ability to generate revenues.

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

The continued negative economic conditions would likely negatively impact Amarin's ability to obtain financing on acceptable terms.

Unfavorable economic conditions can impact Amarin's ability to obtain finance on acceptable terms. While currently these conditions have not impaired our ability to access credit markets and finance our operations, there can be no assurance that there will not be a further deterioration in financial markets and confidence in major economies. We are unable to predict the likely duration and severity of the current disruption in financial markets and adverse economic conditions in the US and other countries.

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

As a consequence of divestitures in 2004 and our acquisition of Amarin Neuroscience in October 2004 and Ester Neurosciences Limited in December 2007, our historical financial results do not form an accurate basis upon which investors should base an assessment of our business and prospects. We are now focused on the research, development and commercialization of novel drugs for cardiovascular disease. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted.

We may have to issue additional equity, leading to shareholder dilution.

We are committed to issue equity to the former shareholders of Amarin Neuroscience upon the successful achievement of specified milestones for the AMR101 development program (subject to such shareholders' right to choose cash payment in lieu of equity). Pursuant to the Amarin Neuroscience share purchase agreement, further success-related milestones will be payable as follows:

Upon receipt of marketing approval in the United States and Europe for the first indication of any product containing Amarin Neuroscience intellectual property as secured in the 2004 Laxdale acquisition, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£7.5 million for each of the two potential market approvals (i.e., GBP£15.0 million maximum). In addition, upon receipt of a marketing approval in the United States and Europe for any other product using Amarin Neuroscience intellectual property as secured in the 2004 Laxdale acquisition or for a different indication of a previously approved product, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£5.0 million for each of the two potential market approvals (i.e., GBP£10.0 million maximum). The exchange rate as of October 20, 2009 was approximately $1.6402 per GBP£.

In June 2009, Amarin announced that it had amended the Ester Neurosciences Limited ("Ester") acquisition agreement entered into in December 2007. The amendments, which reflect Amarin's intention to seek a partner for EN101, provide for the release of Amarin from research and development diligence obligations contained in the original agreement, with remaining contingent milestones only being payable from fees and milestones received from any future partners. As part of the amendment and waiver agreement, Amarin issued 1,315,789 ordinary shares to the former Ester shareholders

On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share ("ADS") and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

In May 2009, Amarin announced that it entered into definitive agreements for a private placement of convertible bridge loan notes ("Initial Bridge Financing") in the amount of $2.6 million with certain existing investors in the Company, including a number of current directors of the Company. In July 2009, $0.1 million of the Bridge Financing was repaid. In August 2009, the date of maturity on the convertible loans was extended to September 30, 2009. In August 2009, Amarin announced that it had entered into definitive agreements for a private placement of additional convertible bridge loan notes ("Additional Bridge Financing") in the amount of $3.0 million with certain existing investors in the Company, including a number of current directors of the Company.

The Initial Bridge Financing and Additional Bridge Financing consist of convertible notes and warrants. The aggregate convertible notes are in the principal amount of $5.5 million, were to mature on September 30, 2009 and pay interest at the rate of 8% per annum. In September 2009, the date of maturity was extended to October 16, 2009.

On October 16, 2009, as described above, the holders of $3.6 million convertible bridge loan notes converted their principal into units and the accrued interest was repaid in cash. As a result, the Company issued 3,999,996 Ordinary Shares of £0.50 and warrants to purchase 1,999,996 shares with an exercise price of $1.50.

On October 16, 2009, the holders of the remaining $1.9 million convertible bridge loan notes elected to have their principal and accrued interest repaid in cash.

On July 31, 2009, the Company issued warrants to purchase 3,111,105 shares with an exercise price of $1.00. These warrants were issued to the holders of the convertible bridge loan notes in consideration for their participation in the Bridge Financing. They are in addition to the warrants that were issued on conversion of the convertible bridge loan notes described above.

In December 2007, we issued $2.75 million in aggregate principal amount of three-year convertible debt. This debt was repaid in full on May 29, 2008. These debenture holders received five-year warrants to purchase 0.23 million ADSs at an exercise price of $4.80. If, at any time prior to December 6, 2009, the Company issues Ordinary Shares, securities convertible into ADSs or Ordinary Shares, warrants to purchase ADSs or Ordinary Shares or options to purchase any of the aforementioned warrants at a price that is less than, or converts at a price that is less than, $3.66 ("Down-round Price"), then the exercise price shall be adjusted to equal 130% of the Down-round Price.

As at October 20, 2009 we had 41,060,624 warrants outstanding with a weighted average exercise price of $1.75 per share. As at October 20, 2009, we also had outstanding employee options to purchase 2,865,183 Ordinary Shares at an average exercise price of $5.12 per share.

Additionally, in pursuing our growth strategy, we may either need to issue new equity as consideration for the acquisition of products, or to otherwise raise additional capital, in which case equity, debt convertible into equity or debt instruments may be issued. The creation of new shares may lead to dilution of the value of the shares held by our

current shareholder base.

If we cannot find additional capital resources, we will have difficulty in operating as a going concern and growing our business.

At December 31, 2008, we had a cash balance of approximately $14.2 million. On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share ("ADS") and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

Based upon current business activities, we forecast having sufficient cash to fund operations for at least a period of 12 months from October 22, 2009.

We may also require further funds in the future to implement our long-term growth strategy recruiting clinical, regulatory and other personnel, and to grow our business. Our ability to execute our business strategy and sustain our infrastructure at our current level will be impacted by whether or not we have sufficient funds. Depending on market conditions and our ability to maintain financial stability, we may not have access to additional funds on reasonable terms or at all. Any inability to obtain additional funds when needed would have a material adverse effect on our business and on our ability to operate on an ongoing basis.

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

If development efforts for our products are not successful for any indications or if they are not approved by the FDA, or if adequate demand for our products is not generated, our business will be materially and adversely affected. Although we intend to bring additional products forward from our research and development efforts, even if we are successful in doing so, the range of products we will be able to commercialize may be limited. This could restrict our ability to respond to adverse business conditions. If we are not successful in developing any future product or products, or if there is not adequate demand for any such products or the market for such product develops less rapidly than we anticipate, we may not have the ability to shift our resources to the development of alternative products. As a result, the limited range of products we intend to develop could constrain our ability to generate revenues and achieve profitability.

Our ability to generate revenues depends on obtaining regulatory approvals for our products.

In order to successfully commercialize a product, we or our potential partners will be required to conduct all tests and clinical trials needed in order to meet regulatory requirements, to obtain applicable regulatory approvals, and to prosecute patent applications. The costs of developing and obtaining regulatory approvals for pharmaceutical products can be substantial. Our ability to commercialize any of our products in development is dependent upon the success of development efforts in clinical studies. If these clinical trials fail to produce satisfactory results, or if we are unable to maintain the financial and operational capability to complete these development efforts, we may be unable to generate revenues. Even if we obtain regulatory approvals, the timing or scope of any approvals may prohibit or reduce our ability to commercialize products successfully. For example, if the approval process takes too long, we may miss market opportunities and give other companies the ability to develop competing products or establish market dominance. Additionally, the terms of any approvals may not have the scope or breadth needed for us to commercialize products successfully.

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

The success of our research and development efforts is dependent in part upon the ability of the Group, its contractors or potential partners, and its products to meet and to continue to meet regulatory requirements in the jurisdictions where we or potential 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 United States, the European Union, Japan and elsewhere. In the United States, the FDA generally requires pre-clinical testing and clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical

development to ensure its quality before its introduction into the market. Regulatory authorities in other jurisdictions impose similar requirements. Amarin will be commencing two phase III clinical trials with AMR101 in lowering triglycerides and continues its ongoing studies and plans for future toxicology, pharmacology and metabolism studies of AMR101. The process of obtaining regulatory approvals is lengthy and expensive and the issuance of such approvals is uncertain. The commencement and rate of completion of clinical trials and the timing of obtaining marketing approval from regulatory authorities may be delayed by many factors, including:

- the inability to manufacture sufficient quantities of qualified materials under current good manufacturing practices for use in clinical trials;
- slower than expected rates of patient recruitment;
- the inability to observe patients adequately after treatment;
- changes in regulatory requirements for clinical or preclinical studies;
- the lack of effectiveness during clinical trials;
- unforeseen safety issues emerge in clinical or preclinical studies;
- delay, suspension, or termination of a trial by the institutional review board responsible for overseeing the study at a particular study site;
- unanticipated changes to the requirements imposed by regulatory authorities on the extent, nature or timing of studies to be conducted on quality, safety and efficacy; and
- government or regulatory delays or “clinical holds” requiring suspension or termination of a trial.

Even if we obtain positive results from early stage pre-clinical or clinical trials, we may not achieve the same success in future trials. Clinical trials that we or potential partners conduct may not provide sufficient safety and effectiveness data 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. This could adversely affect our ability to earn revenues from the sale of such products. Even in circumstances where products are approved by a regulatory body for sale, the regulatory or legal requirements may change over time, or new safety or efficacy information may be identified concerning a product, which may lead to the withdrawal of a product from the market. Additionally, 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 that product or manufacturer, including withdrawal of the product from the market, which would have a negative impact on our potential revenue stream.

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

Once a product is approved, numerous post-approval requirements apply. Among other things, the holder of an approved New Drug Application (“NDA”) or other license is subject to periodic and other monitoring and reporting obligations enforced by the FDA and other regulatory bodies, including obligations to monitor and report adverse

events and instances of the failure of a product to meet the specifications in the approved application. Application holders must also submit advertising and other promotional material to regulatory authorities and report on ongoing clinical trials.

With respect to sales and marketing activities by our partners, advertising and promotional materials must comply with FDA rules in addition to other potentially applicable federal and local laws in the United States and in other countries. In the United States, the distribution of product samples to physicians must comply with the requirements of the U.S. Prescription Drug Marketing Act. Manufacturing facilities remain subject to FDA inspection and must continue to adhere to the FDA's current good manufacturing practice requirements. Application holders must obtain FDA approval for product and manufactu-

ing changes, depending on the nature of the change. Sales, marketing, and scientific/educational grant programs must also comply with the U.S. Medicare-Medicaid Anti-Fraud and Abuse Act, as amended, the U.S. False Claims Act, as amended and similar state laws. Pricing and rebate programs must comply with the U.S. Medicaid rebate requirements of the Omnibus Budget Reconciliation Act of 1990, as amended. If products are made available to authorized users of the U.S. Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. All of these activities are also potentially subject to U.S. 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 or our potential partners comply with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval. Adverse regulatory action, whether pre- or post-approval, can potentially lead to product liability claims and increase our product liability exposure. We or our potential partners must also compete against other products in qualifying for reimbursement under applicable third party payment and insurance programs.

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

The pharmaceutical industry is highly competitive. If we are successful in completing the development of any of our products, we may face competition to the extent other pharmaceutical companies have on the market or are able to develop products for the treatment of similar indications. Potential competitors in this market include companies with greater resources and name recognition than us. Furthermore, to the extent we are able to acquire or develop additional marketable products in the future such products will compete with a variety of other products within the United States or elsewhere, possibly including established drugs and major brand names. Competitive factors, including generic competition, could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to our future products. Products based on new technologies or new drugs could render our products obsolete or uneconomical.

Our potential competitors both in the United States and Europe include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies, and specialized cardiovascular and neurology companies. In addition, we may compete with universities and other institutions involved in the development of technologies and products that may compete with ours. Many of our competitors will likely have greater resources than us, including financial, product development, marketing, personnel and other resources. Should a competing product obtain marketing approval prior to any of our products, this would significantly erode the projected revenue streams for our product.

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

Our supply of products for clinical trials and ultimately for commercial supply is dependent upon relationships with manufacturers and key suppliers.

We have no in-house manufacturing capacity and, to the extent we are successful in completing the development of our products and/or acquiring or developing other marketable products in the future, we will be obliged to rely on contract manufacturers to produce our products. We cannot assure you that we will successfully manufacture any

product we may develop, either independently or under manufacturing arrangements, if any, with third party manufacturers. Moreover, if any manufacturer should cease doing business with us or experience delays, shortages of supply or excessive demands on their capacity, we may not be able to obtain adequate quantities of product in a timely manner, or at all. Manufacturers are required to comply with current NDA commitments and good manufacturing practices requirements enforced by the FDA, and similar requirements of other countries. The failure by a manufacturer to comply with these requirements could affect its ability to provide us with product.

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

In the past and currently, we purchase all API for AMR101from a single supplier with a single manufacturing facility. While we have contractual freedom to source API elsewhere, there is no guarantee we will either be successful in identifying alternative supplier(s) or that such future supplier(s) will have the manufacturing capacity to meet future requirements. Our current supplier currently does not have sufficient manufacturing capacity to meet expected future commercial supply requirements and we cannot assure you that it or an alternative supplier will have the necessary capacity to meet our requirements.

We may not be able to grow our business unless we can acquire or in-license new products.

During recent years, we pursued a strategy of product acquisitions and in-licensing in order to supplement our own research and development activity. Our success in this regard will be dependent 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 than we do. 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 potential inability to acquire additional products or successfully introduce new products could have a material adverse effect on our business.

In order to commercialize our future products, we may need to find a collaborative partner to help market and sell our products.

Our strategy for commercializing currently anticipates that we will enter into collaborative arrangements with one or more pharmaceutical companies that have product development resources and expertise, established distribution systems and direct sales forces to successfully market our products. If so, we will be reliant on one or more of these strategic partners to generate revenue on our behalf.

We may not be successful in finding a collaborative partner to help market and sell our products, or may be delayed in doing so, in which case we would not receive revenue or royalties on the timeframe and to the extent that we currently anticipate.

The carrying value of our EN101 intangible asset is dependent on the success or failure of partnering activities and future development work.

At December 31, 2008, our EN101 intangible asset had a carrying value of $19.9 million. If our efforts to find a development partner or licensee for EN101 are unsuccessful or if future development work is unsuccessful, the valuation of our EN101 intangible asset would likely be impaired. We are in discussions with the licensor of EN101 to amend certain aspects of our license. If these discussions are unsuccessful our partnering efforts could be adversely impacted.

The planned expansion of our business may strain our resources.

We currently operate with limited resources, the addition of any new products could require a significant expansion of our operations, including the recruitment, hiring and training of additional personnel, particularly those with a clinical

or regulatory background. Any failure to recruit necessary personnel could have a material adverse effect on our business. Additionally, the expansion of our operations and work force could create a strain on our financial and management resources and it may require us to add management personnel.

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

In October 2003, we sold Gacell Holdings AB, the Swedish holding company of Amarin Development AB, which we refer to as ADAB, our Swedish drug development subsidiary, to Watson Pharmaceuticals, Inc. In February 2004, we sold our U.S. subsidiary, Amarin Pharmaceuticals Inc., and certain assets, to Valeant. In connection with these transactions, we provided a number of representations and warranties to Watson and Valeant regarding the respective businesses sold to them, and other matters, and we undertook to indemnify Watson and Valeant under certain circumstances for breaches of such representations and warranties. We are not aware of any circumstances which could reasonably be expected to give rise to an indemnification obligation under our agreements with either Watson or Valeant. However, we cannot predict whether matters may arise in the future which were not known to us and which, under the terms of the relevant agreements, could give rise to a claim against us.

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

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

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

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

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

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

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

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

We are subject to continuing potential product liability.

Although we disposed of the majority of our former products during 2003 and 2004, we remain subject to the potential risk of product liability claims relating to the manufacturing and marketing of our former products during the period prior to their divestiture. Any person who is injured as a result of using one of our former products during our period of ownership may have a product liability claim against us without having to prove that we were at fault. The potential for liability exists despite the fact that our former subsidiary, Amarin Pharmaceuticals Inc. conducted all sales and marketing activities with respect to such products. Although we have not retained any liabilities of Amarin Pharmaceuticals Inc. in this regard, as the prior holder of ownership rights to such former products, third parties could seek to assert potential claims against us. Since we distributed and sold our products to a wide number of end users, the risk of such claims could be material.

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

Product liability claims could also be brought by persons who took part in clinical trials involving our current or former development stage products. A successful claim brought against us could have a material adverse effect on our business.

Amarin was responsible for the sales and marketing of Permax from May 2001 until February 2004. On May 17, 2001, Amarin acquired the U.S. sales and marketing rights to Permax from Elan. An affiliate of Elan had previously obtained the licensing rights to Permax from Eli Lilly and Company in 1993. Eli Lilly originally obtained approval for Permax on December 30, 1988, and has been responsible for the manufacture and supply of Permax since that date. On February 25, 2004, Amarin sold its U.S. subsidiary, Amarin Pharmaceuticals, Inc., including the rights to Permax, to Valeant Pharmaceuticals International.

In late 2002, Eli 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 observation of cardiac valvulopathy in patients taking Permax. While Permax has not been definitely proven as the cause of this condition, similar reports have been notified in patients taking other ergot- derived pharmaceutical products, of which Permax is an example. In early 2003, Eli 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 doctors in the United States describing this potential risk. Causation has not been established, but is thought to be consistent with other fibrotic side effects observed in Permax.

On March 29, 2007, the FDA announced that the manufacturers of pergolide drug products will voluntarily remove these drug products, including Permax, from the market. Further information about the removal of Permax and other pergolide drug products is available on the FDA’s website.

During 2008, two lawsuits alleging claims related to cardiac valvulopathy and Permax were filed in March and August respectively. One of the lawsuits was dismissed in February 2009 and the remaining case is currently pending in the United States. Among others, Eli Lilly, Elan, Valeant, Amarin Pharmaceuticals, and Amarin are named as defendants in this lawsuit, however Amarin has not been formally served with the complaint from the lawsuit. In addition, six cases alleging claims related to cardiac valvulopathy and Permax were filed in April 2008 in the United States and currently remain pending. Eli Lily, Valeant, Amarin Pharmaceuticals and unidentified parties are named as defendants in these cases, and are defending against the claims and allegations. Amarin has not been named as defendant or served with the complaints from these cases.

During 2009, two lawsuits alleging claims related to cardiac valvulopathy and Permax were filed in March and are currently pending in the United States. Eli Lilly, Elan, Valeant, Amarin Pharmaceuticals, Amarin and other parties are named as defendants in these lawsuits. Amarin has not been formally served with the complaint from these lawsuits. A third lawsuit, also filed in March, was dismissed in September only as to Amarin for the plaintiff’s failure to prosecute the case against Amarin.

Ten other claims related to cardiac valvulopathy and Permax and one claim related to compulsive gambling and Permax are or were being threatened against Eli Lilly, Elan, and/or Valeant, and could possibly implicate Amarin.

We have reviewed the position and having taken external legal advice and consider the potential risk of significant liability arising for Amarin from these legal actions to be remote. No provision is booked in the accounts at December 31, 2008.

The price of our ADSs and Ordinary Shares may be volatile.

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the operating performance of particular companies. In addition, the market prices of the securities of many pharmaceutical and medical technology companies have been especially volatile in the past, and this trend is expected to continue in the future. Our ADSs may also be subject to volatility as a result of their limited trading market. At December 31, 2008 we had 26,551,388 ADSs representing Ordinary Shares outstanding and 495,328 Ordinary Shares outstanding (which are not held in the form of ADSs). There is a risk that there may not be sufficient liquidity in the market to accommodate significant increases in selling activity or the sale of a large block of our securities. Our ADSs have historically had limited trading volume, which may also result in volatility. During the twelve-month period ending December 31, 2008, the average daily trading volume for our ADSs was 17,772.

If our public float and the level of trading remain at limited levels over the long term, this could result in volatility and increase the risk that the market price of our ADSs and Ordinary Shares may be affected by factors such as:

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

A Share price of less than $1.00 may impact the company's NASDAQ listing.

Amarin is currently trading above $1.00; however, in the period October 6, 2008 to April 7, 2009 Amarin was trading beneath $1.00. Due to the current state of capital markets, on October 16 2008, NASDAQ and the SEC suspended the application of the $1.00 minimum bid price rule until April 20, 2009. This suspension was further extended to July 19, 2009. NASDAQ noted that on September 30, 2008, 64 securities were trading at less than $1 while in mid November, 2008 that number had jumped to 344. The suspension was removed on July 20, 2009. If Amarin's closing bid price is less than $1.00 for 30 consecutive trading days, Amarin will receive a NASDAQ staff deficiency letter indicating that the Company is not in compliance with the minimum bid price requirement for continued listing. Such a letter would trigger an automatic 180 calendar day period within which the company could regain compliance. Compliance is regained at any time during this period, if the Amarin closing bid price is $1.00 per share or more for a minimum of 10 consecutive trading days. If compliance cannot be demonstrated by the end of the 180 days, Amarin will be afforded an additional 180 calendar day compliance period if Nasdaq determines at that time that the Company meets the remaining Nasdaq Capital Market initial listing criteria in Rule 5215(b), except for the bid price requirement. If Amarin was not eligible for an additional compliance period, NASDAQ would provide written notification that the Company's securities will be delisted. At that time, Amarin could appeal NASDAQ's determination to delist its securities to a Listing Qualifications Panel.

15

The issuances of ADSs and Ordinary Shares upon the conversion or exercise of our securities will dilute the ownership interest of existing stockholders, including stockholders who had previously exercised their warrants.

The issuances of ADSs and Ordinary Shares in connection with the exercise of our warrants will dilute the ownership interest of existing stockholders. Any sales in the public market of the ADSs and Ordinary Shares issuable upon such exercise could adversely affect prevailing market prices of our ADSs and Ordinary Shares.

Future sales of our ADSs and/or Ordinary Shares in the public market could lower the market price for our ADSs and/or Ordinary Shares.

In the future, we may sell additional ADSs and/or Ordinary Shares to raise capital or pursuant to contractual obligations. See "We may have to issue additional equity, leading to shareholder dilution." We cannot predict the size of future issuances or sales of our ADSs and/or Ordinary Shares to raise capital or the effect, if any, that they may have on the market price for our ADSs and/or Ordinary Shares. The issuances and sales of substantial amounts of ADSs and/or Ordinary Shares, or the perception that such issuances and sales may occur, could adversely affect the market price of our ADSs and/or Ordinary Shares.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We are a "foreign private issuer," as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended, and, therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, and related rules and regulations.

In the future, we would lose our foreign private issuer status if a majority of our directors are U.S citizens or residents and we continue to fail to meet additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the U.S. Securities and Exchange Commission, which are more detailed and extensive than the forms available to foreign private issuer. We may also be required to prepare our financial statements in accordance with U.S. generally accepted accounting principles. In addition we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

U.S. Holders of our Ordinary Shares or ADSs could be subject to material adverse tax consequences if we are considered a PFIC for U.S. federal income tax purposes.

There is a risk that we will be classified as a passive foreign investment company, or "PFIC", for U.S. federal income tax purposes. Our status as a PFIC could result in a reduction in the after-tax return to U.S. Holders of our Ordinary Shares or ADSs and may cause a reduction in the value of such shares. 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 our assets produces or are held for the production of passive income. For this purpose, passive income includes interest, gains from the sale of stock, and royalties that are not derived in the active conduct of a trade or business. Because we receive interest and may receive royalties, there is a risk that we will be considered a PFIC under the income test described above. In addition, because of our cash position and our ownership of patents, there is a risk that we will be considered a PFIC under the asset test described above. While we believe that the PFIC rules were not intended to apply to companies such as us that focus on research, development and commercialization of drugs, no assurance can be given that the U.S. Internal Revenue Service or a U.S. court would determine that, based on the composition of our income and assets, we are not a PFIC currently or in the future. If we were classified as a

PFIC, U.S. holders of our Ordinary Shares or ADSs could be subject to greater U.S. income tax liability than might otherwise apply, imposition of U.S. income tax in advance of when tax would otherwise apply, and detailed tax filing requirements that would not otherwise apply. The PFIC rules are complex and a U.S. Holder of our Ordinary Shares or ADSs is urged to consult its own tax advisors regarding the possible application of the PFIC rules to it in its particular circumstances.

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

Although we are incorporated in England and Wales, our directors seek to ensure that our affairs are conducted in such a manner that we are resident in Ireland for Irish, UK and U.S. tax purposes. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs following a review by our directors, we could become, or be regarded as having become resident in a jurisdiction other than Ireland. Should we cease to be an Irish tax resident, we may be subject to a charge to Irish capital gains tax on our assets. Similarly, if the tax residency of any of our subsidiaries were to change from their current jurisdiction for any of the reasons listed above, we may be subject to a charge to local capital gains tax charge on the assets.

U.S. Holders of our Ordinary Shares or ADSs may be subject to U.S. income taxation at ordinary income tax rates on undistributed earnings and profits.

Given our current ownership, we expect that we are a controlled foreign corporation, ("CFC") for the taxable year 2008 and we may be classified as a CFC in future taxable years. If we are classified as a CFC for U.S. federal income tax purposes, any shareholder that is a U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares may be subject to current U.S. income taxation at ordinary income tax rates on all or a portion of the Company's undistributed earnings and profits attributable to "subpart F income." Such 10% shareholder may also be taxable at ordinary income tax rates on any gain realized on a sale of Ordinary Shares or ADS, to the extent of the Company's current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Holders of our Ordinary shares or ADSs are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under English law. The rights of holders of Ordinary Shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the provisions of the Companies Act 2006, and by our memorandum and articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. The principal differences include the following:

- Under English law, each shareholder present at a meeting has only one vote unless demand is made for a vote on a poll, in which each holder gets one vote per share owned. Under U.S. law, each shareholder typically is entitled to one vote per share at all meetings. Under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that the voting rights of ADSs are also governed by the provisions of a deposit agreement with our depositary bank.

- Under English law, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of shares. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise.

- 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 our board of directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions.

- 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 U.S. law.

- The quorum requirement for a shareholders' meeting is a minimum of two persons present in person or by proxy. Under U.S. law, a majority of the shares eligible to vote must generally be present (in person or by proxy) at a shareholders' meeting in order to constitute a quorum. The minimum number of shares required for a quorum can be reduced pursuant to a provision in a company's certificate of incorporation or bylaws, but typically not below one-third of the shares entitled to vote at the meeting.

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

A number of our directors and executive officers and those of each of our subsidiaries, including Amarin Finance Limited, are non-residents of the United States, and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors that there is doubt as to the enforceability in England in original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities to the extent predicated upon the federal securities laws of the United States. Amarin Finance Limited is an exempted company limited by shares organized under the laws of Bermuda. We have been advised by our Bermuda attorneys that uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions (including the United States) against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

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

We prepare our financial statements in U.S. Dollars. Since our strategy involves the development of products for the U.S. market, a significant part of our clinical trial expenditures are denominated in U.S. Dollars and we anticipate that the majority of our future revenues will be denominated in U.S. Dollars. However, a significant portion of our costs are denominated in pounds sterling and euro as a result of our being engaged in activities in the United Kingdom and the European Union. As a consequence, the results reported in our financial statements are potentially subject to the impact of currency fluctuations between the U.S. Dollar on the one hand, and pounds sterling and euro on the other hand. We are focused on development activities and do not anticipate generating on-going revenues in the short-term. Accordingly, we do not engage in significant currency hedging activities in order to limit the risk of exchange rate fluctuations. However, if we should commence commercializing any products in the United States, changes in the relation of the U.S. Dollar to the pound sterling and/or the euro may affect our revenues and operating margins. In general, we could incur losses if the U.S. Dollar should become devalued relative to pounds sterling and/or the euro.

We do not currently have the capability to undertake marketing, or sales of any potential products.

We have not invested in marketing or product sales resources. We cannot assure you that we will be able to acquire such resources. We cannot assure you that we will successfully market any product we may develop, either independently or under marketing arrangements, if any, with other companies. To the extent that we enter into contractual relationships with other companies to market our products, if any, the success of such products may depend on the success of securing and maintaining such contractual relationships the efforts of those other companies (and any subcontractors they engage).

We have limited personnel to oversee out-sourced contract manufacturing, clinical testing and the regulatory approval process.

It is likely that we will also need to hire additional personnel skilled in the manufacturing, clinical testing and regulatory compliance process if we develop additional product candidates with commercial potential. We do not currently have the capability to conduct clinical testing in-house and do not currently have plans to develop such a capability. We out-source our clinical testing to contract research organizations. We currently have a limited number of employees and certain other outside consultants who oversee the contract research organizations involved in clinical testing of our compounds.

We cannot assure you that our limited oversight of the contract research organizations will suffice to avoid significant problems with the protocols and conduct of the clinical trials.

We depend on contract research organizations to conduct our pre-clinical and our clinical testing. We have engaged and intend to continue to engage third party contract research organizations and other third parties to help us develop our drug candidates. Although we have designed the clinical trials for drug candidates, the contract re-

search organizations will be conducting all of our clinical trials. As a result, many important aspects of our drug development programs have been and will continue to be outside of our direct control. In addition, the contract research organizations may not perform all of their obligations under arrangements with us. If the contract research organizations do not perform clinical trials in a satisfactory manner or breach their obligations to us, the development and commercialization of any drug candidate may be delayed or precluded. We cannot control the amount and timing of resources these contract research organizations devote to our programs or product candidates. The failure of any of these contract research organizations to comply with any governmental regulations would substantially harm our development and marketing efforts and delay or prevent regulatory approval of our drug candidates. If we are unable to rely on clinical data collected by others, we could be required to repeat, extend the duration of, or increase the size of our clinical trials and this could significantly delay commercialization and require significantly greater expenditures.

Despite the use of confidentiality agreements and/or proprietary rights agreements, which themselves may be of limited effectiveness, it may be difficult for us to protect our trade secrets.

We rely on trade secrets to protect technology in cases when we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect. While we require certain of our academic collaborators, contractors and consultants to enter into confidentiality agreements, we may not be able to adequately protect our trade secrets or other proprietary information.

Potential technological changes in our field of business create considerable uncertainty.

We are engaged in the biopharmaceutical field, which is characterized by extensive research efforts and rapid technological progress. New developments in research are expected to continue at a rapid pace in both industry and academia. We cannot assure you that research and discoveries by others will not render some or all of our programs or product candidates uncompetitive or obsolete. Our business strategy is based in part upon new and unproven technologies to the development of biopharmaceutical products for the treatment of cardiovascular diseases. We cannot assure you that unforeseen problems will not develop with these technologies or applications or that commercially feasible products will ultimately be developed by us.

Third-party reimbursement and health care cost containment initiatives and treatment guidelines may constrain our future revenues.

Our ability to market successfully our existing and future new products will depend in part on the level of reimbursement that government health administration authorities, private health coverage insurers and other organizations provide for the cost of our products and related treatments. Countries in which our products are sold through reimbursement schemes under national health insurance programs frequently require that manufacturers and sellers of pharmaceutical products obtain governmental approval of initial prices and any subsequent price increases. In certain countries, including the United States, government-funded and private medical care plans can exert significant indirect pressure on prices. We may not be able to sell our products profitably if adequate prices are not approved or reimbursement is unavailable or limited in scope. Increasingly, third-party payers attempt to contain health care costs in ways that are likely to impact our development of products including:

- failing to approve or challenging the prices charged for health care products;
- introducing reimportation schemes from lower priced jurisdictions;
- limiting both coverage and the amount of reimbursement for new therapeutic products;

- denying or limiting coverage for products that are approved by the regulatory agencies but are considered to be experimental or investigational by third-party payers;

- refusing to provide coverage when an approved product is used in a way that has not received regulatory marketing approval; and

- refusing to provide coverage when an approved product is not appraised favorably by the National Institute for Clinical Excellence in the U.K., or similar agencies in other countries.

We are undergoing significant organizational change. Failure to manage disruption to the business or the loss of key personnel could have an adverse effect on our business.

We are making significant changes to both our management structure and the locations from which we operate. We opened a new office in Mystic, CT, in September 2008 and we plan to transition certain corporate activities in early 2010. As a result of this, in the short term, morale may be lowered and key employees may be distracted from their usual role. This could result in delays in development projects, failure to achieve managerial targets or other disruption to the business which could have material adverse affects on our business and results of operations.

Item 4 Information on the Company

A. History and Development of the Company

Amarin Corporation plc (formerly Ethical Holdings plc) is a public limited company listed in the U.S. on the NASDAQ Capital Market. Amarin was originally incorporated in England as a private limited company on March 1, 1989 under the Companies Act 1985, and re-registered in England as a public limited company on March 19, 1993.

Our registered office is located at 110 Cannon Street, London, EC4N 6AR, England. Our principal executive offices are located at First Floor, Block 3, The Oval, Shelbourne Road, Ballsbridge, Dublin 4, Ireland and our telephone number is +353−1−6699010. The directors are responsible for the maintenance and integrity of our website, www.amarincorp.com. Our principal research and development facilities are located at 12 Roosevelt Avenue, Mystic, Connecticut, 06355, USA.

During 2007, we announced a cardiovascular development strategy leveraging our proprietary expertise and intellectual property in lipid science to target billion dollar market opportunities such as dyslipidemia. We also focused on expanding and strengthening our research and development management team. In September 2008, we opened our research and development headquarters in Mystic, Connecticut, USA. This office is headed by Dr. Declan Doogan, Head of Research and Development. Dr. Doogan was previously Senior Vice President and Head of Worldwide Development at Pfizer Global Research and Development.

We are now focused on developing our lead candidate AMR101 – a prescription grade Omega-3 fatty acid – which is expected to enter Phase 3 clinical trials for hypertriglyceridemia and mixed dyslipidemia in Q4 2009. This program leverages our lipid science expertise, the established safety and tolerability profile of AMR101 from our previous clinical trials and the known therapeutic benefits of essential fatty acids, particularly Omega-3s, in treating cardiovascular disease.

We also intend to partner our CNS pipeline, which includes candidates for Huntington’s disease, myasthenia gravis and Parkinson’s disease.

In the period from late 2004 to late 2009, we completed a series of financings raising aggregate gross proceeds of approximately $198.7 million, including $24.5 million from our current and former directors and officers.

Business Overview

Our Business

Amarin is a late-stage biopharmaceutical company with a focus on cardiovascular disease. Amarin's cardiovascular disease programs capitalize on our expertise in the field of lipid science and the known therapeutic benefits of essential fatty acids in cardiovascular disease. Amarin has a range of clinical and preclinical stage compounds

to treat central nervous system (CNS) disorders, including Huntington's disease, myasthenia gravis and Parkinson's disease, all of which are available for partnering. The following chart summarises Amarin's pipeline, comprising core cardiovascular programs and non-core CNS programs:

Cardiovascular Disease Programs

AMR101

AMR101, a prescription grade Omega-3 fatty acid, comprising not less than 96% ultra pure ethyl ester of eicosapentaenoic acid. It is a long chain of highly unsaturated fatty acid. AMR101 is believed to impact on a number of biological factors in the body such as anti-inflammatory mechanisms, cell membrane composition and plasticity, triglyceride levels and regulation of glucose metabolism.

AMR101 for Hypertriglyceridemia and Mixed Dyslipidemia

AMR101 is being progressed to Phase 3 clinical development for the treatment of hypertriglyceridemia and mixed dyslipidemia. Hypertriglyceridemia refers to a condition in which patients have high blood levels of triglycerides and is recognized as an independent risk factor for cardiac disease. Mixed dyslipidemia refers to a condition in which patients have a combination of two or more lipid abnormalities including elevated triglycerides, low high-density lipoprotein (HDL) cholesterol, and elevated low-density lipoprotein (LDL) cholesterol and is believed to affect more than 34 million in the U.S. alone. Both hypertriglyceridemia and mixed dyslipidemia are components of a range of lipid disorders collectively referred to as dyslipidemia. The overall dyslipidemia population in the U.S. is believed to be in excess of 100 million, with annual drug treatments in the U.S. for this population now exceeding $25 billion, dominated by statin therapies. Growth in the non-statin segment is believed to be a reflection of the broadening of dyslipidemia treatment beyond reduction in LDL cholesterol to other lipid parameters such as HDL cholesterol and triglycerides.

The current treatments to lower triglycerides include fibrates, and more recently in the U.S., a prescription grade Omega-3 fatty acid. Currently there is only one FDA approved prescription grade Omega-3 fatty acid, known as Lovaza (Omacor in Europe) marketed by GlaxoSmithKline. Lovaza, which consists predominately of the Omega-3 esters EPA and DHA, was launched in the U.S. in 2005. Reported U.S. sales in 2008 of $540 million represented an annual growth rate of 70% making it is one of the fastest growing products in the sector with analysts predicting that the Lovaza/Omacor brands will become a multi-billion dollar franchise.

The growth of prescription grade Omega-3 fatty acids, which are known to be highly effective in lowering triglycerides, is underpinned by the growing acceptance of high triglycerides as an independent risk factor in

cardiovascular disease. In addition to their efficacy, their safety and tolerability profile also make them very suitable for combination treatments, an important treatment approach in the effective management of dyslipidemia.

A distinguishing feature of AMR101 is its high EPA purity content at not less than 96%.

Amarin is planning to commence two Phase 3 trials with AMR101 in 2009. The first is a pivotal Phase 3 registration trial for the treatment of hypertriglyceridemia, the second, a Phase 3 trial in mixed dyslipidemia, is aimed at broadening the potential label for AMR101. Amarin's development program is designed to position AMR101 as "best-in-class" in the prescription grade Omega-3 market.

In May 2009, Amarin announced that it had reached agreement with the U.S. Food and Drug Administration (FDA) under a Special Protocol Assessment (SPA) for a planned Phase 3 registration clinical trial of AMR101 in patients with hypertriglyceridemia, or very high triglyceride levels. Pursuant to the SPA, the Phase 3 trial will be a multi-center, placebo-controlled, randomized, double-blind, 12-week study to evaluate the efficacy and safety of 2gram or 4gram dose of AMR101, in patients with fasting triglyceride levels of ≥500 mg/dL (the AMR101 MARINE Study). The primary endpoint in the trial is the percentage change in triglyceride level from baseline to week 12. Following completion of the 12-week double-blind treatment period, patients will be eligible to enter a 40-week, open-label, extension period.

The trial is expected to enroll approximately 240 patients, with enrollment planned to commence in Q4 2009. The trial will be conducted in centers throughout North and Central America, Europe, India and South Africa. The Company plans to use the results of this Phase 3 registration trial as the basis for the submission of a New Drug Application (NDA) to the FDA.

An SPA is a written agreement between the Company, as the trial's sponsor, and the FDA regarding the design, endpoints, and planned statistical analysis of the Phase 3 trial to be used in support of an NDA.

In July 2009, Amarin announced that it had reached agreement with the FDA under an SPA for a planned Phase 3 clinical trial of AMR101 in patients with mixed dyslipidemia. The Phase 3 mixed dyslipidemia trial will be a multi-center, placebo-controlled, randomized, double-blind, 12-week study to evaluate the efficacy and safety of 2 grams and 4 grams of AMR101 in patients with high triglyceride levels of ≥200 mg/dL and <500 mg/dL who are on statin therapy. The primary endpoint in the trial is the percentage change in triglyceride level from baseline to week 12. This trial is expected to enroll approximately 650 patients and will be conducted in centers throughout the United States. The Company plans to use the results of this Phase 3 trial as the basis for potentially broadening the label for AMR101 beyond treatment for very high triglycerides to include treatment for high triglycerides, the two patient groups that need hypotriglyceridemic therapy the most, as classified by the National Cholesterol Education Program (NCEP) Expert Panel (Adult Treatment Panel III, ATP III, 2002).

During 2008 Amarin established its Cardiovascular Advisory Group in designing the above mentioned trials. The Advisory Group, consisting of leading experts in the field of cardiovascular disease research and development, comprises: Dr. Harold Bays, Medical Director and President of Louisville Metabolic and Atherosclerosis Research

Center; Professor Philip Calder, Nutritional Immunology at the University of Southampton, UK; Dr. Michael Criqui, Professor and Chief, Division of Preventive Medicine, in the Department of Family and Preventive Medicine at the University of California, San Diego School of Medicine; Dr. Meredith Hawkins, Professor of Medicine and Director of the Global Diabetes Initiative at the Albert Einstein College of Medicine in New York; Dr. Sotirios Tsimikas, Professor of Medicine and Director of Vascular Medicine at the University of California, San Diego and Dr. Anthony Wierzbicki, Consultant in Chemical Pathology/Metabolic Medicine at Guy's and St Thomas' Hospitals NHS, UK.

Amarin has previously investigated AMR101 in central nervous system disorders in several double-blind, placebo controlled studies, including Phase 3 trials in Huntington's disease. Over 900 patients have received AMR101 in these studies, with over 100 receiving continuous treatment for a year or more. In all studies performed to date, AMR101 has shown a very good safety and tolerability profile.

Numerous independent studies have demonstrated the safety and efficacy of ethyl-EPA in lowering plasma triglycerides in patients with high triglyceride levels of varying degrees of severity. In Japan, an ethyl-EPA prescription product has been approved for the treatment of hyperlipidemia and has been on the market for eighteen years.

Preclinical Program: New Lipid Compounds

Amarin is also investigating a new generation of lipid compounds for pre-clinical development based on our internal lipid science expertise which are designed to be more potent than currently available Omega-3 fatty acid products.

CNS Programs for Partnering

AMR101 Clinical Development for HD

HD is inherited as an autosomal dominant disease that gives rise to progressive, selective (localized) neural cell death associated with choreic movements and dementia. On April 24, 2007, we announced top line results from two Phase 3 studies with AMR101 in HD. Study data showed no statistically significant difference in either study between AMR101 and placebo with regard to the primary and secondary endpoints at 6 months of treatment. These top-line findings were inconsistent with data from an earlier 12-month 135 patient clinical trial.

However, on November 19, 2007, Amarin announced that analysis of a comprehensive review of the 12-month data from the U.S. Phase 3 study showed a statistically significant difference in TMS-4 between the long term AMR101 group (12-month treatment) and those patients who had switched to AMR101 at 6-months.

In November 2007, we met with the FDA following the completion of the comprehensive review of all clinical data for AMR101 in HD. The FDA indicated that one additional Phase 3 trial demonstrating robust results, in conjunction with the confirmatory evidence from the existing clinical data, may be sufficient clinical data to support a New Drug Application.

In 2008, we also submitted the comprehensive review of all clinical data for AMR101 in HD to EMEA. In March 2009, we submitted a Marketing Authorization Application (MAA) to EMEA and in April 2009, we announced that the EMEA accepted our MAA for review. The Company has received and discussed the Day 120 questions with EMEA which raise substantial queries on the efficacy of AMR101 in Huntington's disease. The future of the Huntington's disease program will be determined by the Company after further discussion with opinion leaders, experts, existing and prospective partners and EMEA.

EN101

EN101 is an orally available antisense oligonucleotide, preferentially targeting the “read-through” or “R” isoform (“AChE-R”) of acetylcholinesterase (“AChE”). The molecule suppresses the production of the AChE-R protein without the negative cholinergic effects currently observed with conventional inhibitors.

Myasthenia gravis, a debilitating neuromuscular disease, is the first target indication for which EN101 is undergoing clinical development. A Phase 1b clinical trial was conducted by Ester in 2002 to assess the safety, efficacy and pharmacokinetics of oral EN101 in MG patients. In 2004, Ester commenced a Phase 2a dose finding study in MG patients. In June 2009, Amarin announced top line results of this study. The primary objective of the exploratory study, for which interim results had previously been announced, was to assess the efficacy and safety of three doses of EN101 each given orally once daily for one week in patients with myasthenia gravis. The final results of the study

indicate that 10mg, 20mg and 40mg of EN101 resulted in a statistically significant reduction in Quantitative Myasthenia Gravis (QMG) score from baseline of 11.8% (p=0.001), 16.8% (p<0.001) and 20.3% (p<0.001), respectively. Importantly, EN101 was also shown to be safe and well tolerated.

The 31-patient study was performed in six centers in the U.K., Israel and Serbia. Each dose of EN101 was administered to patients for one week and was separated by a one week wash-out on pyridostigmine, often the first-line treatment for myasthenia gravis. Efficacy was assessed by evaluating changes in the QMG score, an established questionnaire that evaluates signs and symptoms of myasthenia gravis.

In June 2009, Amarin amended the Ester Neurosciences Limited ("Ester") acquisition agreement entered into in December 2007. The amendment, which reflects Amarin's intention to seek a partner for EN101, provides for the release of Amarin from all research and development diligence obligations contained in the original agreement, with all remaining payment obligations now payable by Amarin only out of income received from potential partners. As part of the amendment and waiver agreement, in August 2009, Amarin issued 1,315,789 shares to the former Ester shareholders.

Sublingual Apomorphine for Parkinson's Disease

Our novel sublingual (under the tongue) formulation of Apomorphine aims to achieve rapid absorption directly into the bloodstream after sublingual administration. Apomorphine is a particularly effective for the treatment of "off" episodes in Parkinson's disease patients. This novel formulation would offer patients a more user friendly alternative to the currently available injectable formulation of Apomorphine and we believe, could result in higher rates of utilization.

Amarin has successfully progressed its sublingual apomorphine candidate through a series of Phase 1 pharmacokinetic studies to prove the concept and to optimize the formulation. The results to date show that Amarin's sublingual formulation has the same speed of absorption as the injection formulation and a profile that supports its further development for the intended indication.

Targeted Lipid Transport Technology ("TLT") Platform (previously Combinatorial Lipids)

We have researched and patented how to use different types of chemical linkage to attach a range of bioactive lipids either to other lipids or other drugs. The results are novel single chemical entities with predictable properties, potentially offering substantial and clinically relevant advantages over either compound alone.

This technology has application across a broad range of therapeutic areas including CNS, cardiovascular, gastrointestinal and oncology. AMR103, a novel form of levodopa at pre–clinical stage of development for Parkinson's disease, is the lead candidate utilizing this technology.

Manufacturing and Supply for AMR101

All supplies of the bulk compound (ethyl-EPA), which constitutes the only pharmaceutically active ingredient of AMR101, are currently purchased from Nisshin Pharma, Inc., a currently qualified manufacturer, pursuant to a supply agreement whereby the supply is at a fixed price. The main raw material that constitutes ethyl-EPA is a naturally occurring substance which is sourced from fish oil. The manufacturing processes that are applied by Nisshin to such raw material are proprietary to Nisshin and produce a pharmaceutical grade compound at a level of purity of at least 96% EPA. We are aware that certain other manufacturers have the ability to produce ethyl-EPA to a similar level of purity.

Our Marketing Partners for AMR101

AMR101 for HD has been partnered in the major E.U. markets with Scil Biomedical GmbH, Juste S.A.Q.F. and Archimedes Pharma Ltd.

Additionally, we are party to a license agreement dated July 21, 2003 with a marketing partner in Japan to develop, use, offer to sell, sell and distribute products in Japan utilizing certain of our intellectual property in the pharmaceutical fields of HD, depression, schizophrenia, dementia and certain less significant indications (by patient population) including the ataxias, for a period of 10 years from the date of first commercial sale or, if later, until

patent protection expires.

In December 2005, Amarin Neuroscience entered into a worldwide exclusive license with Multicell Technologies, Inc. (“Multicell”) pursuant to which Amarin Neuroscience licensed the worldwide rights for MCT−125 to Multicell in return for a series of development based milestones and a royalty on net sales. Multicell is obliged to use reasonable good faith efforts to develop and commercialize MCT−125.

The Financial Year

We had no revenues in 2008 or 2007. Our consolidated revenues in 2006 comprise milestone payments received from Multicell and were derived from the licensing of exclusive, worldwide rights to Multicell for MCT-125 (formerly LAX-202).

For the year ended December 31, 2006, all revenues originated in the United Kingdom. No revenues were generated from licensing, development or contract manufacturing fees.

At present all of our products are in the development stage and we therefore have no products that can be marketed.

Competition

We expect to compete with other pharmaceutical companies that also conduct research and development and may compete with these companies to secure sales and marketing partners for our development pipeline. These anticipated competitors include companies which may possess substantially greater financial, technical, marketing and other resources. In addition, we will compete for supplier manufacturing capacity with other companies, including those whose products are competing with ours. Additionally, our future products may be subject to competition from products with similar qualities. See Item 3 “Key Information — Risk Factors — Our future products may not be able to compete effectively against those of our competitors.”

Government Regulation

Any product development activities relative to AMR101 or products that we may develop or acquire in the future will be subject to extensive regulation by various government authorities, including the FDA and comparable regulatory authorities in other countries, which regulate the design, research, clinical and non-clinical development, testing, manufacturing, storage, distribution, import, export, labeling, 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, submitted for review and approved by the regulatory authority. The data are 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 non-human toxicology, pharmacology and drug metabolism studies which support subsequent clinical testing. 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 1, Phase 2 and Phase 3 clinical trials. In Phase 1, generally, a small number of healthy 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 metabolism, pharmacologic action, side effect tolerability and safety of the drug. Studies in volunteers are also undertaken to begin assessing the pharmacokinetics of the drug (e.g. the way in which the body deals with the compound from absorption, to distribution in tissues, to elimination).

Phase 2 trials typically involve studies in disease-affected patients to determine the dose required to produce the desired benefits. At the same time, safety and further pharmacokinetic and pharmacodynamic information is collected. Phase 3 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 are designed to provide the pivotal data necessary to establish the effectiveness of the product for its intended use, and its safety in use, and typically 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.

Prior to the start of human clinical studies of a new drug in the United States, an investigational new drug application, or IND, is filed with the FDA. Similar filings are required in other countries. The amount of data that must be supplied in the IND depends on the phase of the study. Earlier investigations, such as Phase 1 studies, typi-

cally require less data than the larger and longer-term studies in Phase 3. A clinical plan must be submitted to the FDA prior to commencement of a clinical trial. In general, studies may begin in the U.S. 30 days after submission of the IND. If the FDA has concerns about the clinical plan or the safety of the proposed studies, they may prevent studies from moving forward, and may suspend or terminate studies once initiated. Regular reporting of study progress and adverse experiences is required. During the testing phases, meetings can be held with the FDA to discuss progress and future requirements for the New Drug Application (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 starting or suspend or terminate a study once initiated. Studies must also be conducted and monitored in accordance with good clinical practice and other requirements.

Following the completion of clinical trials, the data must be thoroughly analyzed to determine if the clinical trials successfully demonstrate safety and efficacy. If they do, the data can be filed with the FDA in an NDA along with proposed labeling for the product and information about the manufacturing and testing 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 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 does not differ significantly from those of other countries, the amount of detail required by the FDA can be more extensive in some areas. In addition, it is likely that the FDA will re-analyze the clinical data, which could result in extensive discussions between the Company and the FDA during the review process. The review and evaluation of applications by the FDA is extensive and time consuming and may take several years to complete. The FDA's goal generally is 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, may entail requests for new data and/or data analysis, 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, and may also audit data from clinical and pre-clinical trials.

There is no assurance that the FDA will act favorably or quickly in making such reviews and significant difficulties or costs may be encountered by the Group 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 including potential requirements or risk management plans that could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur following initial marketing.

In the European Union, our future products may also be subject to extensive regulatory requirements. As in the U.S., 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 U.S., 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 U.K. 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 through one of three 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 procedure 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 product is known as the centralized procedure. This procedure is currently mandatory for products developed by means of a biotechnological process and optional for new active substances and other "innovative medicinal products with novel characteristics." Under this procedure, an application is submitted to the European Agency for the Evaluation of 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 favorable, 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 third, and most recently introduced procedure in the European Union, is known as the decentralized procedure. This is similar to the mutual recognition procedure described above, but with some differences: notably in the time key documents are provided to concerned member states by the reference member state, the overall timing of the procedure and the possibility of "clock stops" during the procedure.

The European Union is currently expanding, with a number of Eastern European countries joining recently and expected to join over the coming years. Several other European countries outside the European Union, particularly those intending to accede to the European 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 labeling, 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.

Prescription drug advertising and promotion is subject to federal, state and foreign regulations. In the U.S., the FDA regulates all company and prescription drug product promotion, including direct-to-consumer advertising. Promotional materials for prescription drug products must be submitted to the FDA in conjunction with their first use. Use of volatile materials may lead to FDA enforcement actions. Any distribution of prescription drug products and pharmaceutical samples must comply with the U.S. Prescription Drug Marketing Act, or the PDMA, a part of the U.S. Federal Food, Drug, and Cosmetic Act.

In the U.S., once a product is approved its manufacture is subject to comprehensive and continuing regulation by the FDA. The FDA regulations require that products be manufactured in specific approved facilities and in accordance with current good manufacturing practices, and NDA holders must list their products and register their manufacturing establishments with the FDA. These regulations also impose certain organizational, procedural and documentation requirements with respect to manufacturing and quality assurance activities. NDA holders using contract manufacturers, laboratories or packagers are responsible for the selection and monitoring of qualified firms. These firms are subject to inspections by the FDA at any time, and the discovery of violative conditions could result in enforcement actions that interrupt the operation of any such facilities or the ability to distribute products manufactured, processed or tested by them.

The distribution of pharmaceutical products is subject to additional requirements under the PDMA and equivalent laws and regulations in other jurisdictions. For instance, 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.

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

The failure to comply with regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, or refusal to allow a firm to enter into supply contracts, including government contracts. In addition, even if a firm complies with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval. Prohibitions or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

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

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

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

Patents and Proprietary Technology

We are pursuing New Chemical Entity (NCE) designation for AMR101. This is a determination that will ultimately be made by the FDA at the time of approval. NCEs receive 5 years marketing exclusivity under the Drug Price Competition and Term Restoration act of 1984 (“Waxman-Hatch”). If not designated an NCE, AMR101 would receive 3 years marketing exclusivity under Waxman-Hatch. The marketing exclusivity period of 5 or 3 years can be extended by an additional 6 months by conducting paediatric clinical studies.

Amarin has filed six patents in an effort to protect the intellectual property developed during the AMR101 cardiovascular program. Our patenting strategy encompasses pursuing patents for compositions, formulations, indications/uses and combinations with other drugs.

We believe that patent protection of our technologies, processes and products is important to our future operations. The success of our products may depend, in part, upon our ability to obtain strong patent protection. There can

however be no assurance that:

- any additional patents will be issued for AMR101 or any other or future products in any or all appropriate jurisdictions;

- any patents that we or our licensees may obtain will not be successfully challenged in the future;
- our technologies, processes or products will not infringe upon the patents of third parties; or
- the scope of any patents will be sufficient to 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 have patents covering our various compounds and their uses. These include filed and granted composition and use patents for the method of treating a number of CNS and cardiovascular disorders with highly pure forms of EPA and composition of matter patents relating to potential second generation technology platforms. We will also rely upon trade secrets and know-how to retain our competitive position. We will file patent applications either on a country-by-country basis or by using the European or international patent cooperation treaty systems. The existence of a patent in a country may provide competitive advantages to us when seeking licensees in that country. In general, patents granted in most European countries have a twenty-year term from filing, although in certain circumstances the term can be extended by supplementary protection certificates. We may be dependent in some cases upon third party licensors to pursue filing, prosecution and maintenance of patent rights or applications owned or controlled by those parties.

It is possible that third parties will obtain patents or other proprietary rights that might be necessary or useful to us. In cases where third parties are first to invent a particular product or technology, it is possible that those parties will obtain patents that will be sufficiently broad so as to prevent us from utilizing such technology. In addition, we may use unpatented proprietary technology, in which case there would be no assurance that others would not develop similar technology. See Item 3 “Key Information — Risk Factors — We will be dependent on patents, proprietary rights and confidentiality, and — Potential technological changes in our field of business create considerable uncertainty”.

C. Organizational Structure

At December 31, 2008, we had the following subsidiaries:

Subsidiary Name	Country of Incorporation or Registration	Proportion of Ownership Interest and Voting Power Held
Amarin Neuroscience Limited	Scotland	100%
Amarin Pharmaceuticals Ireland Limited	Ireland	100%
Amarin Pharma Inc	United States	100%
Amarin Finance Limited	Bermuda	100%
Ester Neurosciences Limited	Israel	100%

D. Property, Plant and Equipment

The following table lists the location, use and ownership interest of our principal properties as of October 22, 2009:

Location	Use	Ownership	Size (sq. ft.)
Dublin, Ireland	Offices	Leased	3,251

Mystic, Connecticut, USA	Offices	Leased	2,725
London, England	Offices	Leased	2,830
Ely, Cambridgeshire, England			
Ground Floor	Offices	Leased and sub-let	7,135
First Floor	Offices	Leased and sub-let	2,800
Godmanchester, Cambridgeshire, England	Offices	Leased and sub-let	7,000

On November 1, 2008, we signed a lease covering approximate 2,725 square feet of office space located at 12 Roosevelt Avenue, Mystic, Connecticut, USA. This lease expires October 31, 2011.

On January 22, 2007, we signed a lease covering approximately 3,251 square feet of office space located at 1st Floor, Block 3, The Oval, Shelbourne Road, Dublin 4, Ireland. This lease expires December 2026; however, it can be terminated in 2012 under a break clause.

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

On April 27, 2001, we signed a lease covering approximately 2,830 square feet of office space located at 7 Curzon Street, London, Mayfair, W1J 5HG, England. This lease expires in March 2010.

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

Item 4A Unresolved Staff Comments

None.

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.

Overview of Fiscal Years Ended December 31, 2008, December 31, 2007 and December 31, 2006

We have undergone significant change over the last three years, including the initiation and progression of our cardiovascular program, completion of a number of CNS product acquisitions, raising $66.75 million in private equity & debt, the appointment of a new chief executive officer, restructuring our board and opening our research and development headquarters in Mystic, Connecticut, USA.

Pipeline

We are now focused on developing our lead candidate AMR101 – a prescription grade Omega-3 fatty acid, which is expected to enter Phase 3 clinical trials for hypertriglyceridemia and mixed dyslipidemia in Q4 2009. This program leverages our lipid science expertise, the established safety and tolerability profile of AMR101 from our previous clinical trials and the known therapeutic benefits of essential fatty acids, particularly Omega-3s, in treating cardiovascular disease.

Using our internal know-how and expertise, we are also investigating a new generation of lipid compounds, designed to be significantly more potent than currently available Omega-3 products. We intend to ultimately partner AMR101 for hypertriglyceridemia and other cardiovascular disease indications with a larger pharmaceutical company for commercialization worldwide.

We also intend to partner our CNS pipeline, which includes candidates for Huntington's disease, myasthenia gravis and Parkinson's disease.

October 2009 Financing

On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share ("ADS") and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

May and August 2009 Bridge Financing

In May 2009, Amarin announced that it entered into definitive agreements for a private placement of convertible bridge loan notes ("Initial Bridge Financing") in the amount of $2.6 million with certain existing investors in the Company, including a number of current directors of the Company. In July 2009, $0.1 million of the Bridge Financing was repaid. In August 2009, the date of maturity on the convertible loans was extended to September 30, 2009. In August 2009, Amarin announced that it had entered into definitive agreements for a private placement of additional convertible bridge loan notes ("Additional Bridge Financing") in the amount of $3.0 million with certain existing investors in the Company, including a number of current directors of the Company.

The Initial Bridge Financing and Additional Bridge Financing consist of convertible notes and warrants. The aggregate convertible notes are in the principal amount of $5.5 million, were to mature on September 30, 2009 and pay interest at the rate of 8% per annum. In September 2009, the date of maturity was extended to October 16, 2009.

On October 16, 2009, as described above, the holders of $3.6 million convertible bridge loan notes converted their principal into units and the accrued interest was repaid in cash. As a result, the Company issued 3,999,996 Ordinary Shares of £0.50 and warrants to purchase 1,999,996 shares with an exercise price of $1.50.

On October 16, 2009, the holders of the remaining $1.9 million convertible bridge loan notes elected to have their principal and accrued interest repaid in cash.

On July 31, 2009, the Company issued warrants to purchase 3,111,105 shares with an exercise price of $1.00. These warrants were issued to the holders of the convertible bridge loan notes in consideration for their participation in the Bridge Financing. They are in addition to the warrants that were issued on conversion of the convertible bridge loan notes described above.

May 2008 Financing

In May 2008 we announced a private placement of Ordinary Shares for up to $60.0 million under two separate tranches. The first tranche of $30.0 million from institutional investors and certain current and former directors was received by the Company in May 2008. In conjunction with the closing of the private placement described above, the Company has entered into an agreement with the investors under the previously disclosed Securities Purchase Agreement dated May 13, 2008, pursuant to which the second tranche funding option and the preemptive, registration and board seat rights provided by that agreement will be cancelled and the eight preference shares granted to certain of the 2008 investors will be converted to eight ordinary shares in Amarin coincident with the consummation of the financing

Research and Development Headquarters

In September 2008, we opened our research & development headquarters in Mystic, Connecticut. The Mystic office is headed by, Dr. Declan Doogan (who was appointed to the position of Head of Research and Development in April 2007). Prior to joining Amarin, Dr. Doogan was Senior Vice President and Head of Worldwide Development at Pfizer Global Research and Development. Since joining Amarin, Dr. Doogan has been instrumental in transforming our research and development organization and streamlining development activities from translational research through clinical operations.

31

Board and Management Changes

On October 16, 2009, as a result of the financing described above, certain investors were entitled to join Amarin's board of directors. On October 16, Drs. Manus Rogan and Joseph Anderson were appointed to the board. On the same date Mr. Anthony Russell-Roberts and Drs. John Climax and William Mason resigned from their positions as non-executive directors of Amarin Corporation plc.

Mr. Thomas Lynch, Chairman and Chief Executive Officer of Amarin, will step down as Chief Executive Officer. Dr. Declan Doogan, Amarin's Head of Research and Development, will assume the role of Interim Chief Executive Officer. Mr. Alan Cooke, President, Chief Operating Officer and Chief Financial Officer will step down from his position.

In June 2009, Dr. Eric Aguiar resigned from his position as a non-executive director of Amarin Corporation plc. Dr. Aguiar is currently a partner at Thomas, McNerney & Partners LP, an investor in Amarin's May 2008 financing.

In May 2009, Dr. Srinivas Akkaraju resigned from his position as a non-executive director of Amarin Corporation plc. Dr. Akkaraju recently joined New Leaf Venture Partners. Dr. Akkaraju was previously at Panorama Capital, an investor in Amarin's May 2008 financing.

In May 2008, James I. Healy, M.D., Ph.D., Carl L. Gordon, Ph. D., CFA, Dr. Eric Aguiar and Dr. Srinivas Akkajaru joined our board of directors. This was as a result of the May 2008 private equity financing transaction described above. Dr. Lars Ekman joined our board of directors in November 2008.

The following directors resigned on May 16, 2008: John Groom, Dr. Simon Kukes, Dr. Michael Walsh, Dr. Prem Lachman and Prof. William Hall. Alan Cooke and Dr. Doogan also resigned their board positions but remain in their executive roles and as officers of the Company.

On December, 19, 2007, Mr. Thomas Lynch was appointed Chief Executive Officer following the resignation of Mr. Richard Stewart. Mr. Lynch joined us in January 2000 as Chairman of the Board. Between 1993 and 2004, Mr. Lynch was with Elan Corporation plc where he held a number of positions including Chief Financial Officer and Executive Vice Chairman. Also on December 19, 2007, Mr. Alan Cooke was appointed to the position of President and Chief Operating Officer.

Comparison of Fiscal Years Ended December 31, 2008 and December 31, 2007

Revenue

We recorded no revenue in 2008 or 2007.

Research and Development

Research and Development costs reflect third party contract costs, staff costs, preclinical study costs, clinical supplies and the cost of conducting clinical trials. Research and development expense increased by $0.85 million to $12.95 million compared to 2007's research and development expense of $12.1 million.

The primary driver of research and development costs in 2008 was the progression of our cardiovascular program. We also incurred costs in respect of our CNS products, especially EN101 for myasthenia gravis.

Included in research and development costs for the year end December 31, 2008 are costs associated with the set up and recruitment of key employees for our Mystic office in Connecticut, closure and wind up costs in respect of our Oxford facility and a non cash charge of $1.5 million in respect of share based compensation.

Costs in 2007 were primarily driven by the completion of the AMR101 trials into Huntington's disease and the initiation of our new cardiovascular strategy.

In 2009, Amarin's focus will be the progression of AMR101 through Phase 3 trials for hypertriglyceridemia and mixed dyslipidemia. We expect that this will be the primary driver of research and development costs in 2009.

General and Administrative

General and administrative expenses were $15.2 million in 2008 compared with $19.8 million in 2007, a decrease of $4.6 million. General and administrative expenses primarily represent our general corporate overhead, business and corporate development costs and our substantial investment in intellectual property. General and administration costs in 2008 include a provision of $0.5 million for an onerous lease on our leased property at Gemini House for the period to the termination of the lease and $0.6 million redundancy costs for former employees offset by a release of an over-accrual on staff compensation of $0.8 million and a foreign exchange gain of $1.1 million arising on non-dollar denominated working capital. Selling, general and administrative costs primarily represent Amarin's general corporate overhead, the Company's substantial investment in intellectual property and the business and corporate development costs of pursuing its growth strategy.

The decrease in general and administrative expenses for the year ended December 31, 2008 compared to the year ended December 31, 2007 is primarily as a result of the cost rationalization program initiated in early 2008 that reduced personnel, facility costs and advisor fees.

Finance income

Finance income for 2008 was $9.6 million compared to $2.3 million for 2007. The 2008 finance income comprises interest and similar income of $0.4 million which was earned from cash balances held on deposit. We hold cash denominated in pounds sterling, U.S. Dollars and euro. We manage foreign exchange risk by holding our cash in the currencies in which we expect to incur future cash outflows. In 2008, a gain of $9.3 million was recorded due to a decrease in the fair value of derivative financial liabilities in connection with warrants issued in the December 2007 registered direct offering and a derivative arising on the option of investors in the May 2008 financing to participate in a second tranche under that financing. See note 10 to the F-pages in this annual report for further information.

Finance costs

Finance costs for 2008 were $2.1 million compared to $0.2 million for 2007. Finance costs in 2008 comprises $1.0 million of foreign exchange losses on sterling cash balances due to the strengthening of the dollar against sterling in the period and $0.3 million of foreign exchange losses on euro cash balances due to the strengthening of the dollar against euro in the period. Amarin holds some of its cash in sterling and euro to fund our expenditures in the U.K. and EU and thus has no plans to convert it into dollars. Amarin manages foreign exchange risk by holding its cash in the currencies in which the Company expects to incur future cash outflows. The finance cost also includes $0.8 million relating to interest and notional interest on the fair value of the convertible debentures from December 31, 2007 to May 29, 2008, the date of redemption. See note 11 to the F-pages in this annual report for further information. Finance costs in 2007 relate to interest and notional interest on the fair value of the convertible debentures issued in December 2007.

Taxation

A research and development tax credit of $0.7 million was recognized in the year ended December 31, 2008. An amount of $0.8 million was recognized in 2007. Under U.K. tax law, qualifying companies can surrender part of their tax losses in return for a cash refund.

33

Comparison of Fiscal Years Ended December 31, 2007 and December 31, 2006

Revenue

We recorded no revenue in 2007. During 2006, we earned milestone revenue of $0.5 million under a license agreement signed with Multicell in 2005, pursuant to which we granted the exclusive, worldwide rights to LAX-202 (renamed MCT-125) for the treatment of fatigue in patients suffering from multiple sclerosis.

Research and Development

The U.S. and E.U. AMR101 trials into Huntington's disease were completed in the first quarter of 2007 with final data announced in April 2007. Research and development expense decreased by $3.0 million to $12.1 million compared to 2006's research and development expense of $15.1 million. The completion of the AMR101 trials into Huntington's disease was the primary reason for the fall in research and development expense in 2007. The decrease in research and development expense was partly offset by costs incurred on our two Parkinson's disease programs, our epilepsy programs and the initiation of our new cardiovascular program.

General and Administrative

General and administrative expenses were $19.8 million in 2007 compared with $13.5 million in 2006, an increase of $6.3 million. The increase in general and administrative expenses over 2006 is mainly due to an increase in share based compensation expenses of $2.8 million, reorganization costs associated with the departure of our former chief executive officer and the planned vacation of our offices in London, increased personnel costs and the significant level of business development activities during the year.

Finance income

Finance income for 2007 was $2.3 million compared to $3.3 million for 2006. The 2007 finance income comprises interest and similar income of $1.3 million which was earned from cash balances held on deposit. We hold cash denominated in pounds sterling, U.S. Dollars and euro. In 2007, a gain of $0.6 million was recorded from holding pounds sterling and euro as the U.S. Dollar weakened relative to both currencies, compared to a $2.0 million gain in 2006. We manage foreign exchange risk by holding our cash in the currencies in which we expect to incur future cash outflows. In 2007, a gain of $0.4 million was recorded due to a decrease in the fair value of derivative financial liabilities in connection with warrants issued in the December 2007 registered direct offering.

Finance costs

Finance costs for 2007 were $0.2 million compared to $2.8 million for 2006. Finance costs in 2007 relate to the fair value of interest expense on the convertible debentures issued in December 2007. Finance costs for 2006 relate to the future investment right which was granted under the May 2005 financing. The future investment right was settled in March 2006. A charge of approximately $2.8 million was recorded in 2006, being the movement in the fair value of the future investment right from January 1, 2006 to March 15, 2006.

Taxation

A research and development tax credit of $0.8 million was recognized in the year ended December 31, 2007. An amount of $0.8 million was also recognized in 2006. Under U.K. tax law, qualifying companies can surrender part of their tax losses in return for a cash refund.

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. Our consolidated financial statements are presented in accordance with IFRS as adopted by the E.U. and as issued by the IASB. All professional accounting standards effective as of December

31, 2008 have been taken into consideration in preparing the consolidated financial statements. These accounting principles require us to make certain estimates, judgments and assumptions.

We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of our consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The significant accounting policies that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- intangible assets and research and development expenditure;
- foreign currency;
- revenue recognition;
- impairment of intangible assets; and
- derivative financial liabilities.

Intangible assets and research and development expenditure

In-process research and development

Acquired in-process research and development ("IPR&D") is stated at cost less accumulated amortization and impairments. Acquired IPR&D arising on acquisitions is capitalized and amortized on a straight-line basis over its estimated useful economic life, which is the patent life of the intangible asset. The useful economic life commences upon generation of economic benefits relating to the acquired IPR&D.

Cost is defined as the amount of cash or cash equivalents paid, or the fair value of other consideration given. When IPR&D is acquired and the consideration is settled using the company's equity instruments, the IPR&D is stated at fair value at the date of acquisition. In cases where the fair value of the IPR&D acquired cannot be measured reliably, the fair value capitalized at the date of acquisition is measured by reference to the fair value of the equity instruments granted as consideration.

Capitalization policy

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following criteria are fulfilled: completing the asset so it will be available for use or sale is technically feasible; management intends to complete the intangible asset and use or sell it; an ability to use or sell the intangible asset; it can be demonstrated how the intangible asset will generate probable future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and the expenditure attributable to the intangible asset during its development can be reliably measured. To date, development expenditures have not met the criteria for recognition of an internally generated intangible asset.

Intangible assets not yet available for use are not subject to amortization but are tested for impairment at least annually. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use.

Research and development expenditure

On an ongoing basis the Group undertakes research and development, including clinical trials to establish and provide evidence of product efficacy. Clinical trial costs are expensed to the income statement on a systematic basis over the estimated life of trials to ensure the costs charged reflect the research and development activity performed. To date, all research and development costs have been written off as incurred and are included within operating expenses, as disclosed in Note 7. Research and development costs include staff costs, professional and contractor fees, inventory, and external services.

Foreign currency

Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in U.S. Dollars, which is the Parent Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recorded at the average exchange rate prevailing in the month of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the balance sheet date and the resulting gains and losses are recognized in the income statement. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognized as a separate component of equity.

Monetary items that are receivable or payable to a foreign operation are treated as a net investment in the foreign operation by the Company as settlement is neither planned nor likely to occur in the foreseeable future. On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue

Revenue from technology licensing to third parties is recognized when earned and non-refundable, through the achievement of specific milestones set forth in the applicable contract, when there is no future obligation with respect to the revenue and receipt of the consideration is probable, in accordance with the terms prescribed in the applicable contract.

Impairment of intangible assets

Intangible assets with an indefinite life and intangible assets not yet available for use are not subject to amortization but are tested for impairment annually. Additionally, assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use. For the

purposes of impairment, assets are grouped into cash-generating units and an impairment charge is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash-generating units are allocated to reduce assets in the unit (group of units) on a pro-rata basis.

An impairment loss may be reversed to the extent that the asset's original carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

See note 16 to the F-pages of this Annual Report for further information.

Derivative financial liabilities

Issued financial liabilities or their components are classified as derivative financial liabilities where the substance of the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavorable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of shares.

Derivative financial liabilities on initial recognition are recorded at fair value, being the fair value of consideration received. They are subsequently held at fair value, with gains and losses arising for changes in fair value recognized in the income statement at each period end. The Group derecognizes the derivative financial liability, and recognizes a gain in the income statement when its contractual obligations are cancelled or expired. If the Group issues shares to discharge the liability, the derivative financial liability is derecognized and share premium is recognized on the issuance of those shares.

Where the options and warrants give rise to obligations to issue ordinary shares other than on the above basis they are classified as financial liabilities on the balance sheet. Where these instruments meet the definition of derivatives they are included at fair value on the balance sheet at each reporting year end, with the resulting unrealized gains or losses being recorded in the income statement.

In both situations, at settlement date the carrying value of the options and warrants are transferred to equity. The cash proceeds received from shareholders for additional shares are recorded in the share capital and share premium account.

Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of intangible assets

Intangible assets relate to the asset acquisition of Ester Neurosciences Limited on December 5, 2007. The carrying value of the intangible asset comprises Amarin Common Stock issued, cash paid and Amarin Common Stock to be issued under the achievement of certain milestones.

The Group reviews intangible assets not yet available for use for impairment at least annually. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an intangible asset is determined by discounting the expected future cash flows. The Group uses significant assumptions and estimates in determining an intangible assets recoverable amount.

Intangible assets not yet available for use (i.e. EN101) are not subject to amortization but are tested for impairment at least annually. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is determined using a value in use methodology which is arrived at by discounting the expected future cash flows of the intangible asset. These cash flows, which reflect the risks and uncertainties associated with the assets, are then discounted at an appropriate rate to net present value.

Net present values involve highly sensitive estimates and assumptions specific to the nature of our activities with regard to:

- The amount and timing of projected future cash flows;
- The selected discount and tax rate;
- The outcome of R&D activities (compound efficacy, results of clinical trials, etc.);
- The amount and timing of projected costs to develop EN101 into commercially viable products;
- The probability of obtaining regulatory approval;
- Long-term sales forecasts; and
- Sales erosion rates after the end of patent protection and timing of the entry of generic competition.

Factors that could result in shortened useful lives or impairments include:

- Negative outcome from research and development activities with EN101;
- Failure to obtain regulatory approval;
- Failure to secure a development and marketing partner;
- Failure to maintain a license from the licensor; and
- Lower than anticipated future sales for EN101.

We have adopted a uniform method for assessing EN101. Typically three probability-weighted scenarios are used, which reflect the risks and uncertainties associated with the asset.

Discount rates used in these scenarios are based on our weighted average cost of capital, which are then probability adjusted to reflect specific risks associated with our industry.

Due to the above factors, actual cash flows and values could vary significantly from the forecasted future cash flows and related values derived using discounting techniques. Key assumptions include:

Discount rate	15%
Probability of success	15 to 30%
Peak penetration rate	49%
Population Growth rate	0.4% to 0.6%
Prevalence	14/100,000

Discount rate is based on the weighted average cost of capital to Amarin. Probability of success is based on management’s best estimate of the likelihood that the product will achieve FDA approval, based on the results of its exploratory Phase IIa trial. Peak penetration rate has been estimated using management’s knowledge of the industry and the attributes of the product and alternative treatments on the market.

Population growth and prevalence are based on industry information.

38

Fair value of derivatives and other financial instruments

Derivative financial liabilities are recorded at fair value on initial recognition, being the fair value of consideration received. They are subsequently held at fair value, with gains and losses arising for changes in fair value recognized in the income statement at each period end. The fair value of derivative financial liabilities is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. See notes 24 and 29 for further information on our valuation techniques and assumptions in fair valuing the Group's derivative financial liabilities.

Carrying value of investment in subsidiaries

The carrying value of the Company's investment in subsidiaries is tested when there is an indication of impairment. The Company uses the present value of future cash flows of their products to determine whether an impairment provision is required. These cash flows assume the Company's products will be approved by the FDA and will be capable of generating revenues. Management judgment is required in forecasting the cash flows of each product and these cash flows are adjusted for industry probability factors and the Group discount rate. During 2007, the Company provided for approximately $4.6 million for impairment on AMR101 for HD related investments.

Going concern

See note 1 to the F-pages in this annual report for further information.

Share based payments

The Group operates an equity-settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the Group modifies share options and the fair value of the options granted increases, the incremental fair value granted is recognized over the remaining vesting period. The incremental fair value is calculated as the difference between the fair value of the modified option and that of the original option, both estimated at the date of the modification.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings is treated as a capital contribution in the books of the subsidiary. The fair value of employee services received by the subsidiary, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Provision is made for employer's National Insurance and similar taxes that arise on the exercise of certain share options, calculated using the market price at the balance sheet date.

In transactions where the Group receives goods and services from non-employees in exchange for its equity instruments, the corresponding increase in equity is measured at the fair value of the goods and services received.

See note 30 to the F-pages of this Annual Report for further information.

Deferred tax assets

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

No deferred tax asset or liability is recognized in respect of temporary differences associated with investments in subsidiaries where the Group is able to control the timing of reversals of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

See note 13 to the F-pages in this annual report for further information.

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.

Foreign Currency

The U.S. Dollar is the functional currency for the Company. A percentage of our expenses, assets and liabilities are denominated in currencies other than our functional currency. Fluctuations in exchange rates may have a material adverse effect on our consolidated results of operations and could also result in exchange gains and losses. We cannot accurately predict the impact of future exchange rate fluctuations on our consolidated results of operations. We aim to minimize our foreign currency risk by holding cash balances in the currencies in which we expect to incur future cash outflows.

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 U.S. shareholders.

B. Liquidity and Capital Resources

Our capital requirements relate primarily to clinical trials, employee infrastructure and working capital requirements. Historically, we have funded our cash requirements primarily through the public and private sales of equity and debt securities. As of December 31, 2008, we had approximately $14.2 million in cash ($3.0 million related to cash held on short-term deposits), representing a decrease of $4.1 million compared to December 31, 2007. In May 2008 we announced a private placement of Ordinary Shares for up to $60.0 million under two separate tranches. The first tranche of $30.0 million from institutional investors and certain current and former directors was received in May 2008. The option to invest the second tranche of $30 million was cancelled on the closing of the $70 million financing in October 2009.

On October 13, 2009, Amarin announced it had entered into definitive agreements with several existing and new institutional and accredited investors for a private placement of units for $70 million, consisting of $66.4 million in cash proceeds and $3.6 million from the conversion of convertible bridge notes. On closing of the private placement, in consideration for the $66.4 million received in cash, Amarin issued 66.4 million units. Each unit had a purchase price of $1.00 and consisted of one American Depositary Share (“ADS”) and a warrant to purchase 0.50 of an ADS. The warrants will have a five year term and an exercise price of $1.50 per ADS. In consideration for the conversion of $3.6 million of convertible bridge notes, Amarin issued 4.0 million units. In accordance with the terms of the conversion of the bridge notes, each unit had a purchase price of $0.90 and consisted of one ADS and a warrant to purchase 0.50 of

an ADS. The warrants will also have a five year term and an exercise price of $1.50 per ADS.

In May 2009, Amarin announced that it entered into definitive agreements for a private placement of convertible bridge loan notes (“Initial Bridge Financing”) in the amount of $2.6 million with certain existing investors in the Company, including a number of current directors of the Company. In July 2009, $0.1 million of the Bridge Financing was repaid. In August 2009, the date of maturity on the convertible loans was extended to September 30, 2009. In August 2009, Amarin announced that it had entered into definitive agreements for a private place-

ment of additional convertible bridge loan notes ("Additional Bridge Financing") in the amount of $3.0 million with certain existing investors in the Company, including a number of current directors of the Company.

The Initial Bridge Financing and Additional Bridge Financing consist of convertible notes and warrants. The aggregate convertible notes are in the principal amount of $5.5 million, were to mature on September 30, 2009 and pay interest at the rate of 8% per annum. In September 2009, the date of maturity was extended to October 16, 2009.

On October 16, 2009, as described above, the holders of $3.6 million convertible bridge loan notes converted their principal into units and the accrued interest was repaid in cash. As a result, the Company issued 3,999,996 Ordinary Shares of £0.50 and warrants to purchase 1,999,996 shares with an exercise price of $1.50.

On October 16, 2009, the holders of the remaining $1.9 million convertible bridge loan notes elected to have their principal and accrued interest repaid in cash.

On July 31, 2009, the Company issued warrants to purchase 3,111,105 shares with an exercise price of $1.00. These warrants were issued to the holders of the convertible bridge loan notes in consideration for their participation in the Bridge Financing. They are in addition to the warrants that were issued on conversion of the convertible bridge loan notes described above.

Based upon current business activities, we forecast having sufficient cash to fund operations for at least the next 12 months from October 22, 2009.

Over the three years ended December 31, 2008, we received $64.0 million in cash from the issuance of shares and $2.75 million in convertible Debentures. The convertible Debentures were redeemed in full on May 29, 2008.

Cash

As of December 31, 2008, we had approximately $14.2 million in cash compared with $18.3 million as of December 31, 2007. Our cash has been invested primarily in U.S. Dollar, pounds sterling and euro denominated money market and checking accounts with financial institutions in the U.K., U.S., Ireland and Israel, predominately having a high credit standing. Due to current economic conditions the credit ratings of financial institutions have been extremely volatile. Management believes that the financial institutions where we hold our cash deposits are of a high and acceptable credit rating, given current economic conditions.

Cash flows expended on operating activities were $26.4 million for the year ended December 31, 2008 as compared with $26.3 million for the year ended December 31, 2007.

The operating cash flows expended on operating activities reflect funding of the net loss of $20.0 million adjusted for non-cash depreciation of $0.3 million, non-cash inflow in respect of share based compensation of $4.6 million, a non-cash inflow in respect of a fair value gain on derivative financial liability of $9.3 million, net inflow of interest, foreign exchange and other items of $0.8 million and net outflow on working capital of $3.6 million.

In 2007, the operating cash flows expended on operating activities reflect funding of the net loss of $37.8 million adjusted for a non-cash impairment charge on intangible assets of $8.8 million, non-cash depreciation and amortization of $0.4 million, non-cash inflow in respect of share based compensation of $5.3 million, a non-cash inflow in respect of a fair value gain on derivative financial liability of $0.4 million, net outflow of interest, foreign exchange and other items of $1.6 million and net outflow on working capital of $0.8 million.

Cash outflows expended on investing activities were $0.1 million in 2008. Net cash inflows expended on investing activities were $5.0 million in 2007. Our investing activities in 2008 related to the purchase of property, plant and equipment for the set up of the Mystic office and interest received. We do not envisage significant expenditure on property, plant and equipment in 2009. Our investing activities in 2007 related to the purchase of intangible assets, property, plant and equipment and interest received.

Net cash flows from financing activities in 2008, net of related expenses were $23.5 million, compared to cash inflows from financing activities in 2007 net of related expenses of $12.1 million.

Gross receipts from financing activities in 2008 were $30.0 million. In May 2008 we announced a private placement of Ordinary Shares for up to $60.0 million. The first tranche of $30.0 million from institutional investors and certain current and former directors was received in May 2008. Expenses of $3.7 million were for the issuance of shares. On December 4, 2007, the company entered into an agreement to issue $2.75 million 8% convertible debentures. Under the debenture agreement, mandatory redemption occurs if a financing takes place. As a result of the May financing we settled in full the outstanding amount on the convertible debentures.

On May 19, 2008 we accepted subscriptions of $30.0 million from institutional investors and certain current and former directors, for approximately 13.0 million Ordinary Shares in the form of ADSs in a private equity placement at a purchase price of $2.30. The net proceeds of our May private placement (taking into account professional advisor fees associated with filing the related registration statement, cash fees of our placement agent and government stamp duty but not our travel, printing or other expenses) were approximately $26.3 million.

Gross receipts from financing activities in 2007 comprised two equity financings yielding $9.1 million, gross proceeds on the issue of convertible debentures $2.75 million and other warrant and option exercises of $0.6 million, offset by issuance costs of $0.3 million.

On December 4, 2007, we accepted subscriptions of $5.4 million from institutional and other accredited investors for approximately 1.63 million Ordinary Shares in the form of ADSs in a registered direct offering at a purchase price of $3.30 per share and issued warrants to purchase approximately 0.81 million Ordinary Shares at an exercise price of $4.80 per share. Per the warrant agreement, if at any time prior to December 6, 2009, the Company issues Ordinary Shares, securities convertible into ADSs or Ordinary Shares, warrants to purchase ADSs or Ordinary Shares or options to purchase any of the foregoing to a third party (other than any Exempt Issuance) at a price that is less than, or converts at a price that is less than, $3.66 (such lesser price, the “Down-round Price”), then the Exercise Price shall be adjusted to equal 130% of the Down-round Price. In May, 2008, we announced a private placement of Ordinary Shares for $30.0 million. The private placement from investors of $30.0 million closed on May 19, 2008 (see note 28 for further details). These warrants have therefore been re-priced to $2.99 per share from their original grant price of $4.80 per share. In October 2009, $3.6 million convertible bridge notes converted at $0.90 per share (see note 35 for further details). These warrants have therefore been re-priced again, to $1.17 per share.

The net proceeds of our December registered offering (taking into account professional adviser fees associated with filing the related registration statement, cash fees of our placement agent and government stamp duty) were approximately $5.1 million.

On June 1, 2007, we issued approximately 0.62 million ordinary shares and warrants to purchase approximately 0.06 million shares with an exercise price of $7.20 per share in a registered direct offering, in consideration for $3.7 million.

On October 23, 2006, we accepted subscriptions of $18.7 million from institutional and other accredited investors for approximately 0.9 million Ordinary Shares in the form of ADSs in a registered direct offering at a purchase price of $20.90 per share. The net proceeds of our October registered offering (taking into account professional advisers’ fees associated with filing the related registration statement, cash fees of our placement agent and government stamp duty but not our travel, printing or other expenses) were approximately $17.3 million.

On March 31, 2006, we issued approximately 0.24 million Ordinary Shares in the form of ADSs in consideration for $4.2 million raised in a registered direct financing which was completed pursuant to pre-existing contractual

commitments arising from a previously completed financing in May 2005.

On January 23, 2006, we issued a total of approximately 0.09 million Ordinary Shares in the form of ADSs and issued warrants to purchase approximately 0.03 million Ordinary Shares at an exercise price of $30.60 in consideration for $2.1 million raised in the January 23, 2006, private equity placement.

At December 31, 2008 and December 31, 2006 we had no debt. At December 31, 2007, we had total debt of $2.75 million with a cash maturity in 2010. In May 2008, this debt was redeemed as part of the May 2008 equity financing.

All treasury activity is managed by the corporate finance group. Cash balances are invested in short-term deposits, either U.S. Dollars, pounds sterling or euro. No formal hedging activities are undertaken as cash balances are maintained in currencies that match our anticipated financial obligations and forecast cash flows.

C. Research and Development

Amarin has in-house research and development capability and expertise, supplemented by retained external consultants. Costs classified as research and development are written off as incurred, as are patent costs. Such costs include external trial costs, clinical research organization costs, staff costs, professional and contractor fees, materials and external services. Details of amounts charged in the three years ended December 31, 2008, December 31, 2007 and December 31, 2006, are disclosed above. Specifically, we incurred $12.9 million in 2008. In 2007 and 2006, we incurred costs of $12.1 million and $15.1 million respectively.

Amarin is initiating a series of cardiovascular preclinical and clinical programs to capitalize on the known therapeutic benefits of essential fatty acids in cardiovascular disease. Amarin's CNS development pipeline includes programs in Huntington's disease, myasthenia gravis and Parkinson's disease.

Looking ahead, our expenditure will be increasingly focused on developing our lead candidate AMR101 for hypertriglyceridemia and mixed dyslipidemia. We intend to ultimately partner AMR101 for hypertriglyceridemia and other cardiovascular disease indications with a larger pharmaceutical company for commercialization in the United States. We also intend to partner our CNS pipeline, which includes candidates for Huntington's disease, myasthenia gravis and Parkinson's disease.

D. Trend Information

In 2004, we changed our business model and have had no other sources of revenue since then other than revenue pursuant to our out-licensing contract with Multicell. Until we are able to market a product or secure revenue from licensing sources, this trend is expected to continue. We refer users to Items 4B "Business Overview", 5A "Operating Results" and 5B "Liquidity and Capital Resources".

E. Off Balance Sheet Transactions

Although there are no disclosable off balance sheet transactions, there have been transactions involving contingent milestones — see "Note 32 — Financial Commitments" in the financial statements.

F. Contractual Obligations

The following table summarizes our payment obligations as of December 31, 2008. The operating lease obligations primarily represent rent payable on properties leased by the Group. Some of the properties leased by the Group have been sub-let and generate rental income. Purchase obligations relate to manufacturing contracts with a third party for the production of our products. Clinical research obligations relate to clinical development contracts for AMR101 for hypertriglyceridemia, Huntington's disease and AAMI.

	Payment Due By Period in $000's					
Total	Less than	1-2	2-3	3-4	4-5	Thereafter

		1 Year	Years	Years	Years	Years	
Capital/finance lease obligations	36	12	24	—	—	—	—
Operating lease obligations	2,467	929	628	486	161	137	126
Clinical research obligations	1,485	1,485	—	—	—	—	—
Purchase obligations	864	864	—	—	—	—	—
Total	4,852	3,290	652	486	161	137	126

There are no capital commitments relating to the AMR101 development project. However, under the purchase agreement for Laxdale, upon the attainment of specified development milestones, we will be required to issue additional Ordinary Shares to the selling shareholders or make cash payments (at the sole option of each of the selling shareholders) and we will be required to make royalty payments of 8-9% on future revenues of AMR101 booked by Amarin. This consists of 7% payable to Scarista Limited; 0.5% payable to each of Dr. Malcolm Peet and Dr. Krishna Vaddadi; and 1% payable to Dr. Mehar Manku (1% royalty to Dr. Manku is payable only on net sales up to £100 million; royalty reduces to 0.5% for net sales between £100 million and £500 million; and royalty reduces to 0.25% for sales in excess of £500 million). The final purchase price will be a function of the number of Ordinary Shares of Amarin issued at closing and actual direct acquisition costs, together with contingent consideration which may become payable, in the future, on the achievement of certain approval milestones. Upon receipt of marketing approval in the United States and Europe for the first indication of any product containing Amarin Neuroscience intellectual property, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£7.5 million for each of the two potential market approvals (i.e., GBP£15.0 million maximum). In addition, upon receipt of a marketing approval in the United States and Europe for any other product using Amarin Neuroscience intellectual property or for a different indication of a previously approved product, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£5.0 million for each of the two potential market approvals (i.e., GBP£10.0 million maximum). The exchange rate as of October 20, 2009 was approximately $1.6402 per GBP£.

In June 2009, Amarin has amended the Ester Neurosciences Limited (“Ester”) acquisition agreement entered into in December 2007. The amendments, which reflect Amarin’s intention to seek a partner for EN101, provide for the release of Amarin from all research and development diligence obligations contained in the original agreement, with all remaining payment obligations now payable by Amarin only out of income received from potential partners. As part of the amendment and waiver agreement, in August 2009, Amarin issued 1,315,789 shares to the former Ester shareholders.

Item 6 Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth certain information regarding our officers and directors as of December 31, 2008. A summary of the background and experience of each of these individuals follows the table.

Name	Age	Position
Thomas Lynch	52	Chairman and Chief Executive Officer
Anthony Russell-Roberts	63	Non-Executive Director
Dr. William Mason	57	Non-Executive Director
Dr. John Climax	56	Non-Executive Director
Dr. James I. Healy	44	Non-Executive Director
Dr. Carl L. Gordon	44	Non-Executive Director
Dr. Eric Aguiar	47	Non-Executive Director
Dr. Srinivas Akkaraju	41	Non-Executive Director
Dr. Lars Ekman	59	Non-Executive Director
Alan Cooke*	38	President and Chief Operating Officer
Dr. Declan Doogan	56	Head, Research & Development
Tom Maher	42	General Counsel and Company Secretary
Conor Dalton	44	Vice President, Finance & Principal Accounting Officer

* Mr. Cooke also acts as Chief Financial Officer

Mr. Thomas Lynch joined Amarin in January 2000 as Chairman of the Board. Between 1993 and 2004, Mr. Lynch was with Elan Corporation plc where he held a number of positions including Chief Financial Officer and Executive Vice Chairman. Mr. Lynch spear-headed Elan's transition from a drug delivery technology provider to a fully integrated pharmaceutical company, through a number of acquisitions, including Athena Neurosciences, Inc.

The Athena acquisition brought Elan its programs in multiple sclerosis, autoimmune diseases and Alzheimer's disease. Mr. Lynch was also a founder of the specialty pharmaceutical company, Warner Chilcott plc. Mr. Lynch is and has been a board member of a number of biotechnology and healthcare companies.

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. He retired as director of the Royal Opera House on March 24, 2009. 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 included eight years with Lane Fox and Partners, as a partner specializing in commercial property development. He holds an M.A. degree in Politics, Philosophy, and Economics from Oxford University and was awarded a CBE in 2004.

Dr. William Mason was appointed Lead independent Director on February 4, 2008. Dr. Mason has served as a non-executive board member of Amarin since July 19, 2002, is Chairman of the Company's Audit Committee and a member of Amarin's Nominations Committee. Dr. Mason received his B.Sc. from Case Western Reserve University in the United States and his doctorate in physiology from Trinity College, Cambridge, UK in 1977. For twenty years he led a program of neuroscience-focused medical research in Cambridge. Dr. Mason also played an active role as a member of the Advisory Council on Science and Technology ("ACOST") in the UK Cabinet Office of HM Government, developing government policy to create a highly qualified scientific and technical manpower base in the UK. He has founded successful high technology biomedical companies and has extensive commercial transactional experience in the healthcare and life sciences sector. He maintains strong links with the healthcare investment community. Currently, Dr. Mason is Chairman of OrthoMimetics Ltd., Zygem Ltd., Camlab Ltd. and Team Consulting Ltd., and is a director of Sage Healthcare Ltd. and Sphere Medical Ltd. He is also a member of the 3i Independent Director's Program.

Dr. John Climax was appointed a non-executive director of Amarin on March 20, 2006. Dr. Climax was a founder of Icon plc, serving as a Director and Chief Executive Officer of Icon and its subsidiaries since June 1990. In November 2002, he was appointed Executive Chairman. Dr. Climax received his primary degree in pharmacy in 1977 from the University of Singapore, his masters in applied pharmacology in 1979 from the University of Wales and his PhD in clinical pharmacology from the National University of Ireland in 1982. Dr. Climax is an adjunct Professor at the Royal College of Surgeons, Dublin and Chairman of the Human Dignity Foundation, a Swiss based charity.

James I. Healy, M.D., Ph.D., joined Amarin as a non-executive director in May 2008. Dr. Healy joined Sofinnova Ventures as a General Partner in 2000. Dr. Healy was a founding investor and board member of Cellective (acquired by MedImmune), CoTherix (acquired by Actelion), Novacea, and Intermune. He also serves on the boards of directors of several private companies. In the pharmaceutical industry Dr. Healy held positions at Bayer Pharmaceuticals (Miles) and ISTA Pharmaceuticals prior to its initial public offering. He began his private equity career at Sanderling Ventures. Dr. Healy earned B.A.s in Molecular Biology and Scandinavian Studies from the University of California at Berkeley, where he graduated with Distinction in General Scholarship, Honors, and received a Departmental Citation. He received his M.D. from Stanford University's School of Medicine through the Medical Scientist Training Program, and earned his Ph.D. in Immunology from Stanford University, where he was a Beckman Scholar and received a bursary award from the Novartis Foundation. Dr. Healy teaches a course on entrepreneurship at Stanford University, and is an active member of the BIO-NVCA Working Group.

Carl L. Gordon, Ph. D., CFA, joined Amarin as a non-executive director in May 2008. Dr. Gordon is a founding General Partner and Co-Head of Private Equity of OrbiMed Advisors LLC. Dr. Gordon is active in both private equity and small-capitalization public equity investments. He was a senior biotechnology analyst at Mehta and Isaly from 1995 to 1997. He was a Fellow at The Rockefeller University from 1993 to 1995. Dr. Gordon received a Ph.D. in