

AMGEN INC
Form 4
May 04, 2012

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SHARER KEVIN W

(Last) (First) (Middle)

ONE AMGEN CENTER DRIVE

(Street)

**THOUSAND
OAKS, CA 91320-1799**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
AMGEN INC [AMGN]

3. Date of Earliest Transaction
(Month/Day/Year)
05/03/2012

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

Chairman of the Board and CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/03/2012		S	7,000	D		Living Trust
Common Stock						100,933 ⁽²⁾	D
Common Stock						4,392.4626 ⁽³⁾	I
							By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not**

SEC 1474
(9-02)

**required to respond unless the form
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number.**

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 10)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SHARER KEVIN W ONE AMGEN CENTER DRIVE THOUSAND OAKS, CA 91320-1799	X Chairman of the Board and CEO

Signatures

/s/ Andrea Robinson, Attorney-in-Fact for Mr.
Sharer 05/04/2012

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The price reported is an average price. The prices ranged from \$71.045 to \$71.13 per share. Full information regarding the number of
(1) shares sold at each separate price within the range set forth above is available upon request by the SEC staff, the issuer or a security holder of the issuer.

These shares include the following Restricted Stock Units (RSUs) granted under the Company's equity plans: 9,250 RSUs which fully vest on 4/28/2013; 22,750 RSUs which vest in two equal annual installments of 11,375 each commencing 4/26/2013; 60,000 RSUs which
(2) vest in two equal installments of 19,800 each on 4/25/2013 and 4/25/2014 and one installment of 20,400 on 4/25/2015; and 8,933 RSUs which vest in three installments of 2,947, 2,948 and 3,038 on 4/27/2014, 4/27/2015 and 4/27/2016, respectively. Vested RSUs are paid in shares of the Company's common stock on a one-to-one basis.

(3) These are shares acquired under the Company's 401(k) Plan and represent interests in the Company's stock fund as of this filing.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. le="DISPLAY: block; MARGIN-LEFT: 0px; TEXT-INDENT: 0px; LINE-HEIGHT:

11.35pt; MARGIN-RIGHT: 0px; WHITE-SPACE: pre">258,175

	(1,612,963
)	
	485,491
Prepaid expenses	
	(181,107
)	
	7,711
	13,758
Accounts payable and accrued liabilities	
	1,725,302
	(124,855
)	
	(724,800
)	
Deferred revenue	
	2,399,086
	-
	-
Restricted cash	
	(1,218,070
)	
	-
	-
<hr/>	
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\$	
	1,698,123

\$	
	(2,617,222
)	
\$	
	(1,223,064
)	

(a) Supplemental Cash Flow Information

2003

2002

2001

Cash paid for interest

\$	273,658
\$	136,009
\$	256,488

(b) Non-Cash Transactions

The Company entered into the following non-cash transactions:

	2003	2002	2001
Shares issued pursuant to settlement of professional fees	\$ -	\$ 53,900	\$ -
Shares issued pursuant to private placement in settlement of promissory notes	-	-	950,000
Shares issued pursuant to exercise of warrant in settlement of promissory notes	-	480,000	-
Shares issued for acquisition of Oil and Gas Properties	-	-	335,000
Capital assets purchased through capital leases	195,841	57,340	95,694

14. Commitments

Operating Leases

The Company has entered into agreements to lease vehicles and office equipment for various periods until the year 2007. The minimum rental commitments under operating leases are estimated as follows:

2004	\$	158,309
2005		147,849
2006		127,175
2007		121,521
2008		114,074
		<hr/>
	\$	668,928
		<hr/>

15. Financial Instruments

The carrying values of the financial instruments of the Company, with the exception of long term debt, approximate fair values due to the short term maturities and normal trade credit terms of those instruments. Included in cash is \$1,067,486 (2002 - \$2,613,213) held at one financial institution and \$2,975,709 (2002 - \$2,693,179) held at financial intermediaries.

The fair value of long term debt approximates its carrying value in 2002 and 2003 as the terms are variable based on the Roynat cost of funds. The fair value of the amounts due to shareholders could not be reasonably determined as there is no comparable market data for this amount.

The Company provides services and sells its products to many customers. Two customers represent 53% (2002 - four customers represents 59%) of the trade accounts receivable at year end. One customer represents 33% (2002 - one customer represents 32%; 2001 - one customer represents 40%) of the revenue for the year. Four suppliers represent 29% (2002 - two suppliers represent 28%) of the trade accounts payable at year end.

From time to time the Company may be required to arrange bonding on contract bids.

Included in administrative expenses is \$122,440 in foreign exchange losses.

16. Per Share Information

In 2001 the Company adopted the treasury method for computing earnings per share and fully diluted earnings per share. The treasury method has been applied retroactively. Net loss per share has been determined using the weighted average number of common shares outstanding as at June 30, 2003 - 3,806,224 (2002 - 2,212,795; 2001 - 1,418,834).

In each of the fiscal years the exercise of warrants and stock options would be anti-dilutive.

The weighted average number of common shares and net loss per share figures for prior year have been retroactively restated for the reverse stock split.

EnerNorth Industries Inc.
(Formerly Energy Power Systems Limited)
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)

June 30, 2003, 2002 and 2001

17. Reconciliation to Accounting Principles
Generally Accepted in the United States

The Company's accounting policies do not differ materially from accounting principles generally accepted in the United States ("US GAAP") except for the following:

(a) Stock Options

Under US GAAP (FAS 123), stock options granted to consultants are recognized as an expense based on their fair value at the date of grant. Prior to the adoption of the Canadian Institute Chartered Accountants ("CICA") section 3870, under Canadian GAAP the options were disclosed and no compensation expense was recorded. The calculation for the compensation of \$ Nil (2002 - \$8,621, 2001 - \$112,040) is based on the Black Scholes option pricing model with the assumption that no dividends are to be paid on common shares, a weighted average volatility factor for the Company's share price of Nil (2002 - 0.31, 2001 - 0.64) for Nil (2002 - 6,667, 2001 - 23,333 and 6,667) options issued during fiscal 2003 and a weighted average risk free interest rate of 5% over a four year period and a fair value of options of \$Nil (2002 - \$1.29, 2001 - \$4.29 and \$1.80 respectively) and a share price of \$Nil (2002 - \$8.10, 2001 - \$9.30 and \$4.50 respectively).

The Company follows APB 25 for options granted to employees. For employees, compensation expense is recognized under the intrinsic value method. Under this method, compensation cost is the excess, if any, of the quoted market price at grant date over the exercise price. Such expense is reflected over the service period; if for prior services, expensed at date of grant; if for future services, expensed over vesting period. The exercise price of the stock options outstanding to employees is equal or exceeds the market value of the shares at the date granted, therefore, no compensation expense is recognized at grant date for US GAAP purposes.

(b) Interest Free Loans

Under US GAAP, the benefit of interest free loans is reflected as a discount to the debt and a credit to paid in capital. This discount is computed using the current borrowing rate available to the Company and amortized over the life of the debt.

Explanation of Responses:

(c) Joint Venture

Under US GAAP, the Company would use the equity method of accounting for joint ventures rather than the proportionate consolidation method of accounting. For further information see Note 6.

(d) Comprehensive Income

Under US GAAP, comprehensive income must be reported which is defined as all changes in equity other than those resulting from investments by owners and distributions to owners.

Other comprehensive income includes the unrealized holding gains and losses on the available-for-sale securities see Note 17(a).

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17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

(e) Marketable Securities

Under accounting principles generally accepted in Canada, gains (losses) in shares of public companies are not recognized until investments are sold unless there is deemed to be an impairment in value which is other than temporary. Under US GAAP, such investments are recorded at market value and the unrealized gains and losses are recognized as a separate item in the shareholder's equity section of the balance sheet unless impairments are considered other than temporary.

(f) Preference Shares

In 2001 under US GAAP, the Company has recorded a deemed dividend of approximately \$420,000 for the beneficial conversion under the terms of the preferred shares.

(g) Oil and Gas Properties

Under US GAAP, the Company is required to discount future net revenues at 10% for purposes of calculating any required ceiling test write-down. Under Canadian GAAP, future net revenues are not discounted, however, they are reduced for estimated future general and administrative expenses and interest. As a result the carrying value of the oil and gas properties under US GAAP would be written down to discounted future net revenues.

(h) Recently issued Accounting Standards

In March 2000, the Financial Accounting Standards Board Issued FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation", an interpretation of APB Opinion No. 25. The Company adopted the interpretation on July 1, 2000. Among other things, the Interpretation requires that stock options that have been modified to reduce the exercise price be accounted for as variable. As of July 1, 2000, under the provisions of Interpretation No. 44, any options that are considered repriced are accounted for as variable options from that date forward. Therefore, the option value will be re-measured at the end of each period using the greater of the exercise price or the July 1, 2000 fair market value as the basis for determining increases in the intrinsic value of the options. During 2001, the Company repriced 19,167 (pre-consolidation 57,500) options with an intrinsic value of \$92,000 which has been included in the compensation expense adjustment. During 2002, these repriced options were exercised and an additional intrinsic value of \$102,550 was recorded to the compensation expense adjustment on their respective measurement dates.

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17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

(h) Recently Issued United States Accounting Standards (continued)

SFAS 142 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill impairment at least annually. In addition, SFAS 142 requires that the Company identify reporting units for the purposes of assessing potential future impairments of goodwill, reassess the useful lives of other existing recognized intangible assets, and cease amortization of intangible assets with an indefinite useful life. An intangible asset with an indefinite useful life should be tested for impairment in accordance with the guidance in SFAS 142. SFAS 142 is required to be applied in fiscal years beginning after December 15, 2001 to all goodwill and other intangible assets recognized at that date, regardless of when those assets were initially recognized. SFAS 142 requires that the Company complete a transitional goodwill impairment test six months from the date of adoption. The Company is also required to reassess the useful lives of other intangible assets within the first interim quarter after adoption of SFAS 142. During 2002, the Company early adopted SFAS 142, management has determined that the value of goodwill was impaired, accordingly a transitional impairment loss \$2,056,832 has been reported as a cumulative effect of a change in accounting principle. Goodwill had previously been amortized over 10 years. This change in accounting policy has been applied by recording a cumulative adjustment in 2002.

In 2002, goodwill was recorded net of a transitional impairment loss of \$2,056,832 and accumulated amortization prior to adoption of \$615,417 (2002 - \$615,417) resulting in no remaining goodwill.

The adjusted net loss from continuing operations per US GAAP, basic and diluted net loss per share from continuing operations and basic and diluted net loss per share for the comparative fiscal year ending June 30, 2001 if no amortization was recorded in that year is follows:

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Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)

June 30, 2003, 2002 and 2001

17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

(h) Recently Issued United States Accounting Standards (continued)

	2003	2002	2001
Reported net loss from continuing operations per US GAAP	\$ (8,047,476)	\$ (2,441,721)	\$ (1,357,753)
Add back: Goodwill amortization	-	-	-261,258
Adjusted net loss from continuing operations per US GAAP	\$ (8,047,476)	\$ (2,441,721)	\$ (1,096,495)
Basic and diluted net loss per share from continuing operations per US GAAP			
Reported net loss from continuing operations per US GAAP	\$ (2.11)	\$ (1.10)	\$ (0.96)
Goodwill amortization	-	-	0.18
Adjusted net loss from continuing operations	\$ (2.11)	\$ (1.10)	\$ (0.78)
Basic and diluted net loss per share per US GAAP:			
Reported net loss per US GAAP	\$ (2.11)	\$ (2.03)	\$ (2.83)
Goodwill amortization	-	-	0.18

Adjusted net loss for the year per US GAAP	\$	(2.11)	\$	(2.03)	\$	(2.65)
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In August 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 143 requires the fair value of a liability for an asset retirement obligation to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 is effective for the fiscal year ending June 30, 2003. The Company has early adopted the new CICA Section 3110 Asset Retirement Obligations for Canadian GAAP purposes as disclosed in Note 5. Section 3110 is similar to SFAS 143 except for the transitional provisions. Under US GAAP, the cumulative effect of the change in accounting principle would be shown and no retroactive adjustment would be made to the comparative figures. Under US GAAP, the cumulative effect of the change in accounting principle was considered to be immaterial.

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17. Reconciliation to Accounting Principles Generally Accepted in the United States - (Continued)

(h) Recently Issued United States Accounting Standards (continued)

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at the date the liability is incurred and is measured and recorded at fair value. This is effective for exits or disposal activities initiated after December 31, 2002. The adoption of this statement did not have a material impact on its financial position and results of operation.

In November 2002, the FASB published Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". The Interpretation expands on FAS 5, "Accounting for Contingencies", FAS 57, "Related Party Disclosures" and FAS 107, "Disclosures about Fair Value of Financial Instruments". It also incorporates, without change, Interpretation No. 34, "Disclosure of Indirect Guarantees". The Interpretation elaborates on the existing disclosure requirements for most guarantees. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. The Interpretation is to be applied on a prospective basis to guarantees issued or modified after December 31, 2002, except for the disclosure requirements that are effective for interim or annual financial

statements with periods ending after December 15, 2002. The adoption of this statement did not have a material effect on the financial position or results of operations.

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17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

(h) Recently Issued United States Accounting Standards (continued)

In January 2003, the FASB issued Financial Interpretation 46 "Accounting for Variable Interest Entities" ("FIN 46") that will require the consolidation of certain entities that are controlled through financial interests that indicate control (referred to as "variable interests"). Variable interests are the rights or obligations that convey economic gains or losses from changes in the values of the entity's assets or liabilities. The holder of the majority of an entity's variable interests will be required to consolidate the variable interest entity. The Company does not believe FIN 46 will result in the consolidation of any additional entities that existed at June 30, 2003.

In December 2003, the FASB issued FSAF No. 148. This Statement amends FASB Statement No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The adoption of this statement had no effect on the financial position or results of operations.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." The changes are intended to improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly. Additionally, those changes are expected to result in more consistent reporting of contracts as either derivatives or hybrid instruments.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liability and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liability and equity. It also requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective generally at the beginning of the first interim period beginning after June 15,

2003, except for mandatory redeemable financial instruments of nonpublic entities. It is to be implemented by reporting a cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of the Statement and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of this statement did not have a material effect on the financial position or results of operations.

EnerNorth Industries Inc.
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Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)

June 30, 2003, 2002 and 2001

17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

If US GAAP as allowed by Item 17/18 of Form 20F were followed, the effect on the consolidated balance sheet would be as follows:

	2003	2002
Total assets per Canadian GAAP	\$ 28,834,961	\$ 25,415,063
Unrealized gain on marketable securities (e)	50,612	-
Writedown oil and gas properties (g)	(1,044,000)	(1,044,000)
Site restoration	-	(100,960)
Total assets per US GAAP	\$ 27,841,573	\$ 24,270,103
Total liabilities per Canadian GAAP	\$ 17,581,355	\$ 7,356,381
Site restoration	-	(100,960)
Total liabilities per US GAAP	\$ 17,581,355	\$ 7,255,421
Total shareholders' equity per Canadian GAAP	\$ 11,253,606	\$ 18,058,682
Other paid in capital adjustment per US GAAP		
Compensation expense (a)	413,102	413,102
Debt discount (b)	683,162	683,162
Accumulated other comprehensive income		
Unrealized gain on marketable securities (e)	50,612	-
Deficit adjustments per US GAAP		

Amortization of debt discount	(683,162)	(683,162)
Compensation expense	(413,102)	(413,102)
Writedown oil and gas properties	(1,044,000)	(1,044,000)
	<u> </u>	<u> </u>
Total shareholders' equity per US GAAP	\$ 10,260,218	\$ 17,014,682
	<u> </u>	<u> </u>

EnerNorth Industries Inc.
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Notes to Consolidated Financial Statements
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June 30, 2003, 2002 and 2001

17. Reconciliation to Accounting Principles
Generally Accepted in the United States - (Continued)

If US GAAP by Item 17/18 of Form 20F were followed, the effect on the consolidated statements of loss and comprehensive loss would be as follows:

	2003	2002	2001
	<u> </u>	<u> </u>	<u> </u>
Net loss from continuing operations according to Canadian GAAP	\$ (8,047,476)	\$ (1,131,370)	\$ (974,406)
Compensation expense adjustment (a)	-	(111,171)	(204,040)
Amortization of debt discount (b)	-	(155,180)	(179,307)
Writedown oil and gas properties (g)	-	(1,044,000)	-
	<u> </u>	<u> </u>	<u> </u>
Net loss from continuing operations according to US GAAP	(8,047,476)	(2,441,721)	(1,357,753)
Loss from discontinued operations	-	-	(2,660,510)
	<u> </u>	<u> </u>	<u> </u>
Net loss according to US GAAP before cumulative effect of a change in accounting principle	(8,047,476)	(2,441,721)	(4,018,263)
Cumulative effect of a change in accounting principle	-	(2,056,832)	-

Explanation of Responses:

Net loss according to US GAAP	(8,047,476)	(4,498,553)	(4,018,263)
Unrealized (loss) gain on marketable securities (e)	50,612	(34,077)	34,077
Comprehensive net loss according to US GAAP	\$ (7,996,864)	\$ (4,532,630)	\$ (3,984,186)
Net loss according to US GAAP	\$ (8,047,476)	\$ (4,498,553)	\$ (4,018,263)
Deemed dividend on preferred shares (f)	-	-	(420,000)
Net loss available for common shareholders	\$ (8,047,476)	\$ (4,498,553)	\$ (4,438,263)
Basic and diluted net loss per common share from continuing operations according to US GAAP	\$ (2.11)	\$ (1.10)	\$ (0.96)
Loss per common share for the cumulative effect of a change in accounting principle for GAAP	\$ -	\$ (0.93)	\$ -
Basic and diluted net loss per common share according to US GAAP	\$ (2.11)	\$ (2.03)	\$ (2.83)
Shares used in the computation of basic and diluted earnings per share	3,806,224	2,212,795	1,418,834

18. Subsequent Event

On October 11, 2003 pursuant to an Arbitration Award, VBC agreed to transfer an additional 500,000 equity shares held by it in KEOPL of par value of INR 10 each aggregating to INR 5 million (approximately Cdn\$150,000) to the Company as special consideration arising out of an increase in the equity of KEOPL.

Pursuant to the Arbitration Agreement, VBC shall be required to buy the 11,348,200 shares in KEOPL for consideration of INR 113,482,000 (approximately Cdn\$3.3 million) on or before the earlier event of 60 days after the first disbursement of funds on Financial Closure of the Project and March 31, 2004. The Company shall at its option upon written notice to VBC offer to sell and VBC shall be required to buy the 500,000 equity shares of KEOPL at the par value of INR 5 million on or before the same dates mentioned above. If VBC does not buy back or pay for the shares by March 31, 2004 interest of 12% will be charged per annum.

19. Segmented Information

The Company's operations are separated into two distinct segments; the Industrial & Offshore Division, consisting of the operations of M&M and its wholly-owned subsidiary MMO, and the Oil & Gas Division performing oil and gas exploration and production. M&M and MMO are mechanical contracting and fabrication companies, performing installation, erection, welding, maintenance and ancillary fabrication services. All reportable segments are located in Canada.

The following is the Company's segmented information for continuing operations:

For the year ended June 30, 2003

	Industrial & Offshore Division	Oil & Gas Division	Corporate	2003 Total
Revenue	\$ 25,389,716	\$ 579,749	\$ -	\$ 25,969,465
Interest expense	268,443	-	5,215	273,658
Amortization	316,623	416,937	-	733,560
Net earnings (loss) from continuing operations	\$ 48,568	\$ (116,377)	\$ (7,979,667)	\$ (8,047,476)
Capital assets and Oil and Gas Interests	\$ 3,166,786	\$ 4,444,038	\$ -	\$ 7,610,824

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June 30, 2003, 2002 and 2001

19. Segmented Information (continued)

For the year ended June 30, 2002

	Industrial & Offshore Division	Oil & Gas Division	Corporate	2002 Total
Revenue	\$ 21,561,858	\$ 448,463	\$ -	\$ 22,010,321
Interest expense	131,084	-	4,925	136,009
Amortization	321,991	376,622	-	698,613
Net earnings (loss) from continuing operations	\$ 187,642	\$ (690,758)	\$ (628,254)	\$ (1,131,370)
Capital assets and Oil and Gas Interests	\$ 2,834,859	\$ 4,501,038	\$ -	\$ 7,335,897

For the year ended June 30, 2001

	Industrial & Offshore Division	Oil & Gas Division	Corporate	2001 Total
Revenue	\$ 18,770,318	\$ 313,490	\$ -	\$ 19,083,808
Interest expense	251,592	-	4,896	256,488
Amortization	631,634	45,364	-	676,998
Net earnings (loss) from continuing operations	\$ (2,100,005)	\$ 1,239,633	\$ (114,034)	\$ (974,406)

20. Discontinued Operations

Explanation of Responses:

Effective June 30, 2001 the Company adopted a formal plan to dispose of its power segment of business (the "Power Division").

Karnataka Project

On April 22, 1999, the Karnataka Power Transmission Corporation Limited (formerly Karnataka Electricity Board) ("KPTCL") executed a Power Purchase Agreement ("PPA") with Euro India Power Canara Limited ("EIPCL"), a limited liability company incorporated in India. The Company has a 64% interest in EIPCL through its wholly owned subsidiary EPS Karnataka Power Corp., a company incorporated in Ontario. EIPCL is inactive. (See Note 23 Contingent Liabilities).

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EnerNorth Industries Inc.
(Formerly Energy Power Systems Limited)
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)

June 30, 2003, 2002 and 2001

20. Discontinued Operations - (Continued)

Andhra Pradesh Project (see Note 2 and 18)

The results of the Power Division have been accounted for as discontinued operations. Estimated disposal costs have been included in the loss from discontinued operations.

The accounting for these discontinued operations is summarized as follows:

	2003	2002	2001
Revenues	\$ -	-	\$ -
Earnings (loss) from operations	-	-	(48,414)
Loss from disposal of operations	-	-	(2,612,096)
Loss from discontinued operations	\$ -	\$ -	\$(2,660,510))

The Company's consolidated balance sheets include the following amounts related to the discontinued operations:

	2003	2002
Investment	\$ 3,500,000	\$ 3,500,000
Total net assets	\$ 3,500,000	\$ 3,500,000

21. Oakwell Claim Payable

On October 16, 2003 the Company received a decision from the High Court of the Republic of Singapore with respect to a 13-day trial held from May 5, 2003 to May 22, 2003.

The Judge awarded Oakwell Engineering Limited ("Oakwell"), a company incorporated in the Republic of Singapore, US\$1.6 million in respect of Oakwell's claim against the Company for the sum of US \$2,790,000, and awarded OEL US\$2.56 million representing the Judge's assessment of the equivalent to 6.25% of the actual cash available for foreign repatriation from a proposed power project in India (Project) in each of the first five years after the commercial operation date of the Project for a total award of US \$4.16 million (approximately Cdn \$5.4 million) plus certain legal cost estimated at Cdn \$0.5 million.

The Company plans to appeal the decision. A provision of \$5.9 million has been made to these financial statements for the claim.

22. Related Party Transactions

Effective June 30, 2003, a Director of the Company was awarded \$90,000 as compensation for services rendered during the year on behalf of the Company.

On September 1, 2003 the Company entered into a nine month consulting agreement with another director whereby the Company director would be remunerated US \$5,000 per month for services rendered to the Company.

These transactions are in the normal course of business of the Company and measured at the exchange amount.

23. Contingent Liabilities

(a) In 1998 a statement of claim has been filed against the Company by a former financial adviser alleging breach of contract. The plaintiff has claimed for special damages in the amount of approximately \$240,000 (US \$184,197) and entitlement to a success fee of 1% of the gross debt/equity financing of the Andhra Pradesh project less up to 20% of any corporate contributions by the Company or its affiliates. Management believes that the claim is without merit and has filed a counter claim. No correspondence or activity has transpired since 1999 and management believes that the plaintiff has abandoned the litigation. No provision has been made in these financial statements for this claim.

(b) On August 11, 2003, EIPCL filed a statement of claim against KPTCL for repudiatory breach of PPA and claimed damages in the amount of US \$3,835,232 plus costs and interest. On October 7, 2003 KPTCL filed a statement of objection to reject EIPCL's claim with costs stating that EIPCL failed to put up the Barge Mounted Power Plant and claims the sum of Rs 25 crores (approximately US \$5,000,000) plus interest.