



BADGER
EXPLORER



Quarterly Report Q3 2015

HIGHLIGHTS Q3 2015

Technical progress Q3

Badger Explorer ASA (BXPL) is currently working on the Badger Development Program (2015-2018), including the Petromaks2 supported program for development of HPHT Ultrasonic Transducers (2014-2016).

Statoil signed up on the first phase of the Badger Development Program on the 8th June 2015.

As Statoil is the first and so far only partner in the Development Program, scope and expenses have to be kept at a minimum until a broader sponsorship group is in place. BXPL and Statoil are in close and frequent contact regarding the progress of the Development Program. Agreed focus areas for 2015 are:

- Locomotion system
- Ultrasonic transducer for compaction
- Cuttings transport system

The Petromaks2 supported program for development of HPHT Ultrasonic Transducers (2014-2016) comprises ultrasonic transducers for compaction and for drilling. Through Q3 2015 the Development Program including the Petromaks2 Program proceeds according to plan.

2015 a low cost year

With only one sponsor currently committed to support the Badger Development Program, BXPL has implemented a large cost saving program to adjust to the present business climate. All expenses are for the time being kept at an absolute minimum.

BXPL has revised its 2015 plan so that the company will survive on limited cash.

CNPC-DR as sponsor

CNPC-DR is still committed to continue sponsoring the Badger Project, but the negotiations for their final commitment to the Development Program have been delayed.

BXPL management met with CNPC-DR management on 22nd September 2015.

A MoU was signed between the parties to express that when the political climate between China and Norway improves, CNPC intends to return as a full partner in the Development activities.

Other Sponsors

With only one sponsor currently committed to support the Badger Development Program, BXPL has in parallel with continued negotiations with previous sponsors decided to try and secure funding from other oil companies. We experience that the industry is positive to the game-changing capability of the Badger technology. However, in the present climate, the lead time to finalize negotiations with prospective new sponsors are longer than normal.

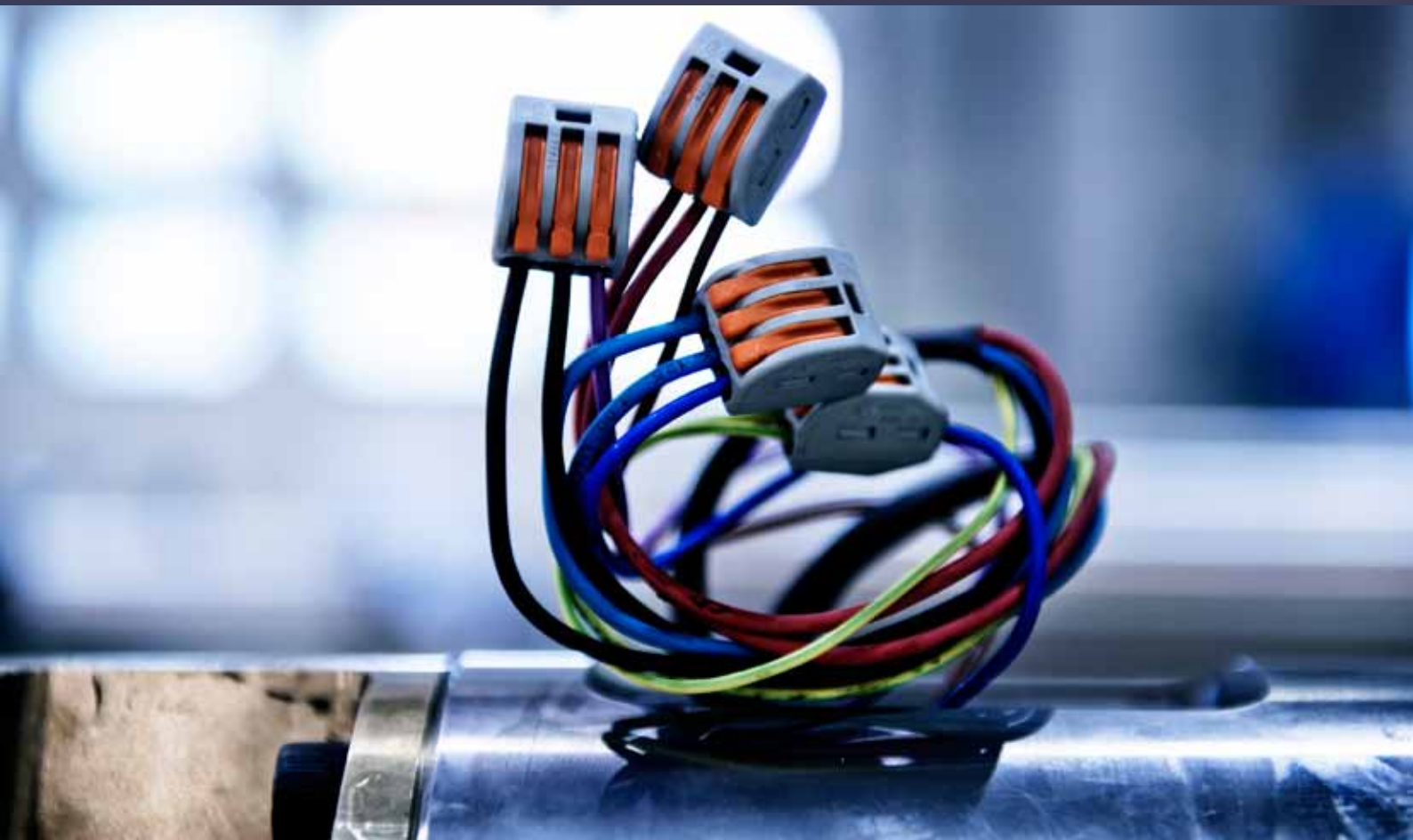
International oil service companies

Badger Management is in direct dialog with international oil service companies.

Such a partner would strengthen and secure the various development tasks, reduce time to market, and be crucial to a successful market introduction.

THE BADGER EXPLORER DEVELOPMENT PROGRAM

The main tasks for the first phase of the program are Cuttings Transport, Locomotion and Compaction Systems. The Cuttings Transport System is based on previous work completed together with Honeybee Robotics and experiences gathered during the test phase of the Demonstrator Program. A scaled prototype has been designed and initial testing has started. Further development work and tests are planned for Q4 2015.



A feasibility study of a novel locomotion system has been executed investigating locomotion solutions for the Badger Explorer concept. The study concludes that the concept should be feasible, and a plan to further investigate the principle is recommended. This will most likely be part of the Milestone 2 deliverable in the Development Program due in 2016.

Badger Explorer continues to research and develop ultrasonic technologies as part of an NFR (Petromaks2) funded project. High power transducers designed to operate under down-hole conditions have been designed and built. These transducers will be used to research compaction under down-hole conditions at the University of Glasgow in work co-funded by the Oil and Gas Innovation Centre (UK).

Board of Directors

An Extraordinary General Assembly (EGM) at BXPL was conducted 17th September 2015. At the EGM Mrs. Belinda Ingebrigtsen was elected new Board Member. Mrs. Ingebrigtsen is a partner at law firm KLUGE Stavanger.

FINANCIALS

Investor Relations

Badger Explorer ASA had 788 shareholders on 30th September 2015. Norwegian entities and individuals held 64.4% of the outstanding shares and the 20 largest shareholders held 69.0% of the outstanding shares.

Badger Explorer ASA

The staff of Badger Explorer ASA consisted of 6 full-time employees as of 30th September 2015, compared to 12 employees as of 30th September 2014.



Main Figures

Revenues for Q3 2015 were NOK 0.00 and NOK 0.00 as of 30th September 2015, compared to NOK 0.00 for Q3 2014 and NOK 0.00 as of 30th September 2014.

Operating expenses for Q3 2015 were NOK 3.647 million and NOK 11.197 million as of 30th September 2015, compared to NOK 5.677 million for Q3 2014 and NOK 15.735 million as of 30th September 2014.

EBITDA for Q3 2015 was NOK -3.647 million and NOK -11.197 million as of 30th September 2015, compared to NOK -5.677 million for Q3 2014 and NOK -15.735 million as of 30th September 2014.

Total development costs of the Badger Explorer project in Q3 2015 were NOK 5.121 million, of which NOK 4.425 million was capitalized. As of 30th September 2015, development costs were NOK 13.199 million, of which NOK 11.055 million was capitalized. Total development costs of the Badger Explorer project in Q3 2014 were NOK 6.601 million, of which NOK 5.826 million was capitalized. As of 30th September 2014, total development costs were NOK 21.849 million, of which NOK 19.039 million was capitalized.

Capitalized public grants for the Badger Explorer project were NOK 2.063 million for Q3 2015 and NOK 5.465 million as of 30th September 2015, compared to NOK 6.754 million for Q3 2014 and NOK 11.010 million as of 30th September 2014.

Earnings per share amounted to NOK -0.21 per share for Q3 2015 and NOK -0.63 as of 30th September 2015, compared to NOK -0.33 per share for Q3 2014 and NOK -0.93 as of 30th September 2014.

SUMMARY	Quarters			Year to date	
	Q3 2015	Q2 2015	Q3 2014	30.09.2015	30.09.2014
Unaudited figures in NOK 1000					
Revenues	0	0	0	0	0
Operating expenses	3 647	3 515	5 677	11 197	15 735
EBITDA	-3 647	-3 515	-5 677	-11 197	-15 735
Earnings per share	-0.21	-0.20	-0.33	-0.63	-0.93
Projects development costs	5 121	3 227	6 601	13 199	21 849
Public grants for projects development	2 063	1 524	6 754	5 465	11 010
Capitalization of development costs and public grants	2 362	1 183	-928	5 590	8 029

The cash position at BXPL was NOK 1.091 million as of 30th September 2015, compared to NOK 411,616 as of 30th September 2014.

As of 30th September 2015, BXPL had a net equity of NOK 67.638 million (equity ratio of 44.2%), compared to NOK 84.887 million as of 30th September 2014 (equity ratio of 53.2%).

Net cash flow arising from the operating activities for Q3 2015 was NOK -1.542 million and NOK -10.440 million as of 30th September 2015, compared to NOK -5.980 million for Q3 2014 and NOK -18.910 million as of 30th September 2014. Net cash outflow includes payments to vendors for goods and services received.

Net cash flow arising from the investment activities for Q3 2015 was NOK -4.425 million and NOK -11.055 million as of 30th September 2015, compared to NOK -5.826 million for Q3 2014 and NOK -19.039 million as of 30th September 2014. Net cash flow from investment activities was negative, mainly reflecting the development costs related to the Badger Explorer Development project, which are eligible for capitalization.

Net cash flow arising from the financing activities for Q3 2015 was NOK 6.201 million and NOK 18.236 million as of 30th September 2015, compared to NOK 9.793 million for Q3 2014 and NOK 13.417 million as of 30th September 2014. Net cash inflows in the Q3 2015 include public grants from RCN. Due to the contributions from the industry partners, public grants and overdraft facility, net cash flow from financing activities was a positive in 2015 and 2014.

Total net changes in cash flow for Q3 2015 were NOK 233,801 and NOK -3.258 million as of 30th September 2015, compared to NOK -2.013 million for Q3 2014 and NOK -24.532 million as of 30th September 2014.

BXPL holds 15% of shares in SST as of 30th September 2015. The remaining shares will be divested in the end of 2015 on an earn-out model basis. The share purchase price for the future transaction is linked to SST's financial performance during 2015.

OUTLOOK

The current on-going restructuring within the global oil industry is massive and has had a serious impact for BXPL as well. 2015 has to be completed at minimum cost. BXPL is confident that the agreed technical deliveries for 2015 are achievable.

BXPL is currently experiencing a delay in the commitment for further support from our other sponsors and additional financial support must be secured. The BXPL management is working with several options including discussions with oil service companies.

During 2016 we expect to see an improving business climate that will enable BXPL to ramp up the ongoing development activities.

Stavanger, 28th October 2015

The Board of Directors
Badger Explorer ASA

ACCOUNTING POLICIES

Badger Explorer ASA (BXPL) is a public limited company registered in Norway and listed on the Oslo Stock Exchange (Oslo Axess list). The Company's head office is located at Forus skogen 1, 4033 Stavanger, Norway.

The financial statements of BXPL have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements have been prepared on an historical cost basis, except for investment in Severn Subsea Technologies Ltd. (formerly known as Calidus Engineering Ltd.), which is initially recognised at fair value at the effective date of the disposal of the shares.

From 28 June 2013, 30% of the shares in SST were owned by BXPL. The investment in SST was initially recognised at fair value at the effective date of the sale from 100% to 30% of the shares. Subsequent measurement of the remaining 30% of the shares was recognised according to equity method. On 15 December 2014, Severn Glocon acquired another 15% of the shares in SST. BXPL holds 15% of shares in SST as of 30 September 2015.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If BXPL loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Non-controlling interest represent the portions of profit and loss and net assets not held by BXPL are presented separately in the income statement and within equity in the statement of financial position, separately from parent shareholder's equity.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements as of 31 December 2014.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the financial statements as of 31 December 2014.

BXPL's financial statements are presented in NOK. The income statement in foreign subsidiary is translated into NOK using the average exchange rate for the period (month). Assets and liabilities in foreign subsidiary, including goodwill and adjustments of fair value of identifiable assets and liabilities arising on the sale of shares in SST, are translated into NOK using exchange rate at the balance sheet date. The exchange differences arising from the translation are recognised directly as other comprehensive income in equity.

Financial assets within the scope IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate.

Financial assets at fair value through profit and loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit and loss.

Financial liabilities within the scope IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs are added.

Financial liabilities include trade and other payables, loans and borrowings.

Inventories are valued at the lower of cost and net realisable value.

Cash includes cash in hand and at bank.

Accounts receivable are recognised in the statement of financial position at nominal value less provisions for doubtful debts.

Fixed assets are carried at cost less accumulated depreciations and impairment losses.

The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the asset ready for use.

Depreciation is calculated using the straight-line method.

Intangible assets are capitalised if it is probable that the expected future financial benefits referred to the asset will accrue to the Company, and that the cost can be calculated in a reliable matter.

Development expenditures related to the Badger Explorer development project are recognised as an intangible asset when BXPL can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- BXPL's intention to complete and BXPL's ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The ability to measure reliably the expenditures during development.
- The availability of resources to complete the assets.

When all the above criteria are met, the cost related to the development starts to be recognised in the statement of financial position.

Costs that have been charged as expenses in previous accounting periods are not recognised in the statement of financial position.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Revenue is recognised to the extent when it is probable that the economic benefit will flow to BXPL and the revenue can be reliably measured, regardless of when the payment is being made.

Interest income is recognised in the income statement based on the effective interest method as they are earned.

Public grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relate to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost it intends to compensate. Where the costs are related to a development project and capitalised, the belonging grants are capitalised together with the cost.

Contributions from partners are recognised in the statement of financial position under long term liabilities as the contributions are subject to repayment ref note 14 in BXPL annual accounts.

On 17 February 2014, the Board of Directors of BXPL implemented a new share option program for BXPL employees offering a total of 213,000 share options at a strike price of NOK 7.51, corresponding to 1.2% of all outstanding BXPL shares. The options granted will be vested in tranches and can be exercised at the earliest 12 months subsequent to the date of grant and thereafter up to 2 occasions during each calendar year, between three and ten days after publications of the Company's Q1 and Q3 results in 2016 and 2017. The remaining 99,000 share options were "out of the money" on 30 September 2015.

The statement of cash flow is prepared in accordance with the indirect method and based upon IAS 7.

INCOME STATEMENT

Unaudited figures in NOK 1000	Quarters			Note	Year to date		Year End
	Q3 2015	Q2 2015	Q3 2014		30.09.2015	30.09.2014	31.12.2014
Revenues							
Other Income	0	0	0		0	0	0
Public grants	2 063	1 524	6 754	1,2	5 465	11 010	14 675
Capitalized public grants	-2 063	-1 524	-6 754	1,2	-5 465	-11 010	-14 675
Total Revenues	0	0	0		0	0	0
Operating Expenses							
External services for development project	3 033	1 666	4 276		6 767	13 419	16 520
Payroll and related costs	2 883	1 775	4 060		7 938	12 226	17 343
Other operating expenses	2 155	2 781	3 167		7 547	9 129	11 357
Capitalized development costs	-4 425	-2 706	-5 826		-11 055	-19 039	-24 107
Total Operating Expenses	3 647	3 515	5 677		11 197	15 735	21 113
EBITDA	-3 647	-3 515	-5 677		-11 197	-15 735	-21 113
Depreciation	48	49	72		157	233	301
Operating profit (loss)	-3 694	-3 565	-5 749		-11 353	-15 968	-21 414
Net financial income (loss)	-109	-126	-334	3,10	-337	-1 310	-1 951
Profit (loss) before taxes	-3 804	-3 691	-6 083		-11 690	-17 278	-23 365
Tax on ordinary result	0	0	0		0	0	0
Net profit (loss)	-3 804	-3 691	-6 083		-11 690	-17 278	-23 365
Profit (loss) attributable to equity holders of the parent	-3 804	-3 691	-6 083		-11 690	-17 278	-23 365
Earnings per share	-0.21	-0.20	-0.33		-0.63	-0.93	-1.26
Earnings per share diluted	-0.20	-0.20	-0.33		-0.63	-0.93	-1.23

STATEMENT OF FINANCIAL POSITION

ASSETS (Unaudited figures in NOK 1000)	30.09.2015	30.06.2015	30.09.2014	Note	31.12.2014
NON-CURRENT ASSETS					
Capitalized development costs	145 808	143 446	138 814	2,6	140 218
Patent rights	387	387	387		387
Total intangible assets	146 195	143 832	139 201		140 604
Property, plant & equipment	144	192	369		301
Total tangible assets	144	192	369		301
Investments in associates	0	0	1 124	3,10	0
Total investments in associates	0	0	1 124		0
TOTAL NON-CURRENT ASSETS	146 339	144 025	140 693		140 906
CURRENT ASSETS					
Accounts receivables	0	0	12 600	6	0
Other receivables	5 676	7 320	5 794		5 391
Total receivables	5 676	7 320	18 394		5 391
Cash and cash equivalents	1 091	857	412		4 351
TOTAL CURRENT ASSETS	6 767	8 177	18 806		9 741
TOTAL ASSETS	153 106	152 202	159 499		150 647

EQUITY AND LIABILITIES (Unaudited figures in NOK 1000)	30.09.2015	30.06.2015	30.09.2014	Note	31.12.2014
EQUITY					
Share capital	2 317	2 317	2 317	3	2 317
Share premium	218 070	218 070	218 070	4	218 070
Other paid in capital	4 031	3 895	3 504	3	3 660
Total paid in equity	224 419	224 282	223 891		224 047
Retained earnings	-156 781	-152 977	-139 004		-145 091
Total retained earnings	-156 781	-152 977	-139 004		-145 091
TOTAL EQUITY	67 638	71 305	84 887		78 956
LIABILITIES					
Capitalized grants	75 000	75 000	66 520	6	66 520
Total non-current liabilities	75 000	75 000	66 520		66 520
Accounts payables	3 510	2 768	3 178	3,8	2 394
Public duties payables	614	32	688		1 650
Debt financial institutions	5 046	1 967	2 827	11	0
Other short term liabilities	1 299	1 129	1 399		1 126
Total current liabilities	10 469	5 896	8 091		5 170
TOTAL LIABILITIES	85 469	80 896	74 611		71 690
TOTAL EQUITY AND LIABILITIES	153 106	152 202	159 499		150 647

STATEMENT OF CASH FLOW

Unaudited figures in NOK 1000	Quarters				Year to date		Year end
	Q3 2015	Q2 2015	Q3 2014	Note	30.09.2015	30.09.2014	31.12.2014
Contribution from operations*	-3 510	-3 444	-5 506		-10 825	-15 197	-20 419
Change in accounts receivables and accounts payables	742	969	-1 363	3,8	1 116	-1 223	-2 007
Change in other receivables and payables	1 227	-1 567	889		-731	-2 490	-1 287
Net cash flow from operating activities	-1 542	-4 042	-5 980		-10 440	-18 910	-23 714
Capitalization of development cost	-4 425	-2 706	-5 826	2	-11 055	-19 039	-24 107
Net cash flow from investment activities	-4 425	-2 706	-5 826		-11 055	-19 039	-24 107
Public grants	1 733	1 733	6 921	1	5 138	10 353	13 908
Contribution from industry partners	1 500	2 950	0	6	8 390	0	12 600
Interest received	2	8	11		38	133	648
Interest paid	-111	-134	-56		-375	-163	-303
Other financial income	0	0	91		0	267	375
Proceeds from borrowings financial institution	3 078	1 967	2 827	11	5 046	2 827	0
Net cash flow from financing activities	6 201	6 524	9 793		18 236	13 417	27 227
Total net changes in cash flow	234	-225	-2 013		-3 258	-24 532	-20 594
Cash and cash equivalents beginning of period	857	1 082	2 425		4 351	24 943	24 943
Cash and cash equivalents end of period	1 091	857	412		1 091	412	4 351
Profit (loss) attributable to equity holders of the parent	-3 804	-3 691	-6 083		-11 690	-17 278	-23 366
Employee options	136	71	171	5	372	538	694
Depreciation	48	49	72		157	233	301
Financial income	-2	-8	-101		-38	-430	-1 053
Financial expenses	111	134	56		375	163	304
Share of (profit) / loss of associates	0	0	379	3,10	0	1 577	2 387
Impairment of financial assets	0	0	0	10	0	0	157
Loss on sale of associate and shares	0	0	0	3,10	0	0	157
*Contribution from operations before tax	-3 510	-3 444	-5 506		-10 825	-15 197	-20 419

STATEMENT OF CHANGE IN EQUITY

Unaudited figures in NOK 1000	Note	Share capital	Share premium	Other paid in capital	Retained earnings	Non-controlling interest	Total equity
Equity as of 31.12.2014		2 317	218 070	3 660	-145 090	0	78 956
Total comprehensive income					-11 690		-11 690
Option plan payment	5			372			372
Equity as of 30.09.2015		2 317	218 070	4 031	-156 781	0	67 638

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in NOK 1000	Quarters			Year to date		Year End
	Q3 2015	Q2 2015	Q3 2014	30.09.2015	30.09.2014	31.12.2014
Total comprehensive income						
Profit (loss) for the year (period)	-3 804	-3 691	-6 083	-11 690	-17 278	-23 365
Other comprehensive income - items that will later be reclassified to profit and loss						
Translation differences	0	0	0	0	0	0
Comprehensive income at end of period	-3 804	-3 691	-6 083	-11 690	-17 278	-23 365

	Quarters			Year to date		Year End
	Q3 2015	Q2 2015	Q3 2014	30.09.2015	30.09.2014	31.09.2014
Total comprehensive income attributable to:						
Equity holders of the parent	-3 804	-3 691	-6 083	-11 690	-17 278	-23 365
Non-controlling interest	0	0	0	0	0	0
Total comprehensive income	-3 804	-3 691	-6 083	-11 690	-17 278	-23 365

NOTES

1. Badger Explorer ASA (BXPL) has previously received public grants from the Research Council of Norway (RCN), Innovation Norway and Skattefunn for the Badger Explorer Demonstrator Program. The projects of the Badger Explorer Demonstrator Program are funded with a percentage of the total project costs. As of 30 September 2015, RCN has through its PETROMAKS-program granted NOK 957,165 to the development of the Badger autonomous drilling tool. Through the PETROMAKS2-program, RCN granted NOK 4.181 million funding for the development of HPHT ultrasonic system.
2. The public grants and all project development costs of BXPL, related to the Badger Explorer Demonstrator Program, are capitalized in accordance with the IFRS regulations, except of NOK 2.144 million as per 30 September 2015. These additional project costs are related to the restriction on capitalization of own personnel costs in the IFRS standard.
3. From 28 June 2013, 30% of the shares in Severn Subsea Technologies Ltd. (SST) were owned by BXPL. The investment in SST was initially recognised at fair value at the effective date of the sale from 100% to 30% of the shares. Subsequent measurement of the remaining 30% of the shares was recognised according to equity method. On 15 December 2014, Severn Glocon acquired another 15% of the shares in SST. BXPL holds 15% of shares in SST as of 30 September 2015.
4. On 9 May 2007, the General Assembly decided to split the existing shares which increased a number of shares from 6,719,520 to 13,439,040. A total of 5,000,000 additional shares were issued in connection with the IPO of NOK 160,000,000 related to the listing of Badger Explorer ASA on the Oslo Stock Exchange on 12 June 2007. The total number of shares as at 30 September 2015 is 18,537,288 at par value of NOK 0.125 per share.
5. On 17 February 2014, the Board of Directors of BXPL implemented a new share options program for BXPL employees offering a total of 213,000 share options at a strike price of NOK 7.51, corresponding to 1.2% of all outstanding BXPL shares. The options granted will be vested in tranches and can be exercised at the earliest 12 months subsequent to the date of grant and thereafter at up to 2 occasions during each calendar year, between three and ten days after publications of the Company's Q1 and Q3 results in 2016 and 2017. The remaining 99,000 share options were "out of the money" on 30 September 2015.

The share options agreements are equity-based incentive compensation. The employee share options are recognised as an expense in the income statement under "Payroll and related costs" and in the statement of financial position under "Other paid in capital". The options (incl. Employers' national insurance contributions) are recognised over the vesting period starting from September 2009. The share option value is based on a third party evaluation of the options at the grant date where the Black-Scholes model is used for calculation. The replacement of options is treated as a cancellation and re-pricing under IFRS 2.

On 16 September 2013, Mr. Steinar Bakke took on the position as President and CEO. Upon commencement of the employment, Mr. Bakke was granted 370,000 share options in BXPL at a strike price of NOK 6.50 per share. 185,000 share options will vest on the date of the publication of the Company's Q4 2015 report. A further 185,000 share options will vest on the date of the publication of the Company's Q2 2017 report. The exercise of fully vested share options is at the sole discretion of the option holder. All share options were "out of the money" on 30 September 2015.

6. BXPL received contributions from the following industry partners for the Badger Explorer Demonstrator Program: Statoil Petroleum AS, ExxonMobil Exploration and Production Norway AS, Shell Technology Norway AS (the previous Prototype Program partner), Chevron Energy Technology Company, Wintershall Norge AS and China National Petroleum Corporation Drilling Research Institute (CNPC DR). A total of NOK 75.000 million of the contribution shall be repaid to the partners by paying 5% royalty of all technology related sales in the future. This royalty is limited to 150% of received contribution.

Milestones 5 and 6 were delivered and approved by the Steering Committee on 5 February 2015. Based on delivery of Milestones, BXPL received the following contributions as of 30 September 2015:

Statoil Petroleum AS	NOK 1.2 million (excl. VAT)
ExxonMobil	NOK 1.2 million (excl. VAT)
Wintershall Norge AS	NOK 1.540 million (excl. VAT)
Chevron Energy Technology Company	NOK 1.840 million
CNPC DR	NOK 1.110 million

On 8 June 2015, BXPL signed an agreement with Statoil Petroleum AS, whereby the oil company will sponsor the first phase of the Badger Explorer Development Program. In consideration of the participation in the Development Program, BXPL received signing-on fee payment of NOK 1.5 million (excl. VAT).

7. Deferred tax asset has not been recognised in the statement of financial position.

8. Related party transactions

Unaudited figures in NOK 1000

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Transactions with related party	30.09.2015	30.09.2014
Purchases of services*	2 211	3 373

* In June 2013, BXPL entered into a consultancy agreement with two of its largest shareholders - Dalvin Rådgivning AS and Nilsholmen AS. As of 30 September 2015, payments totalling NOK 973,885 were made to Dalvin Rådgivning AS in respect of performed consultancy services and NOK 8,952 related to travel expenses. Mr. Gunnar Dolven, who is a CFO of BXPL, is a director of Dalvin Rådgivning AS. As of 30 September 2015, Nilsholmen AS, a company owned by Mr. Kjell Markman who is a Sr.VP Business Development & Strategy of BXPL, received payments of NOK 1.169 million in respect of performed consultancy services and NOK 59,574 related to travel expenses.

Transactions with Severn Subsea Technologies Ltd.	30.09.2015	30.09.2014
Accounts payable**	7	205
Purchased services**	7	1 842

**BXPL purchased engineering- and production services from SST. All purchased services from SST in 2015 are related to the BXPL's development project.

Shares held by members of the Board of Directors and members of the Management Group	30.09.2015	30.09.2014
SEB Private Bank S.A. Luxembourg (Chairman of the Board - Marcus Hansson)	565 000	565 000
Dalvin Rådgivning AS (CFO - Gunnar Dolven)	426 872	301 872
Nilsholmen Investering AS (Sr. VP Business Development & Strategy - Kjell Markman)	209 222	209 222
President & CEO - Steinar Bakke	155 000	30 000
Nilsholmen AS (Sr. VP Business Development & Strategy - Kjell Markman)	20 200	20 200
Chairman of the Board - Marcus Hansson	11 668	11 668
CFO - Gunnar Dolven	8 000	8 000
Board member - Tone Kvåle	0	5 000
Ordinary shares	1 395 962	1 150 962
% of total shares	7.5 %	6.2 %

On 20 August 2015, Mr. Steinar Bakke purchased 125,000 shares in BXPL at a price of NOK 1,35 per share. CEO of Dalvin Rådgivning AS, Mr. Gunnar Dolven, purchased 125,000 in BXPL at a price of NOK 1,35 per share.

9. Fair value hierarchy

As at 30 September 2015, BXPL holds financial assets of the 15% shares in SST at fair value in the statement of financial position.

10. Investment in associate

Unaudited figures in NOK 1000

On 28 June 2013, BXPL entered into the Share Purchase Agreement (Agreement) with Severn Glocon, whereby BXPL sold 84 shares pursuant to the Agreement representing 70% of the issued share capital of its subsidiary SST for the equivalent of NOK 7.189 million with a loss of NOK 1.120 million in the Group. Upon settling the Completion Accounts, BXPL realized a further loss of NOK 838,350 accounted for in December 2013. The partial divestment of shares in 2013 was treated as discontinued operations in accordance with IFRS 5.

Under the Agreement, Severn Glocon acquired another 15% of the shares on 15 December 2014. BXPL holds 15% of shares in SST as of 30 September 2015. The remaining shares will be divested in the end of 2015 on an earn-out model basis. The share purchase price for the future transaction is linked to SST's financial performance during 2015.

Carrying amount movements in the statement of financial position of BXPL for the period ended 30 September 2015:

Carrying amount of 30% interest retained as of 31 December 2013	2 701
30% shares of net result in the associate for the period 1 January - 15 December 2014	-2 387
Sale of 15% of shares on 15 December 2014	-157
Impairment of the remaining 15 % of shares in SST	-157
Closing balance for the period ended 30 September 2015	0

11. Revolving credit facility

BXPL has entered into a revolving credit facility with its Norwegian bank Sparebanken Vest on 22 August 2012 that provides for borrowings of up to NOK 7.5 million with an interest rate of 4.95%. In addition, there is a yearly commission of 1.0% on the credit line. As of 30 September 2015, NOK 5.046 million has been drawn on the overdraft facility.

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