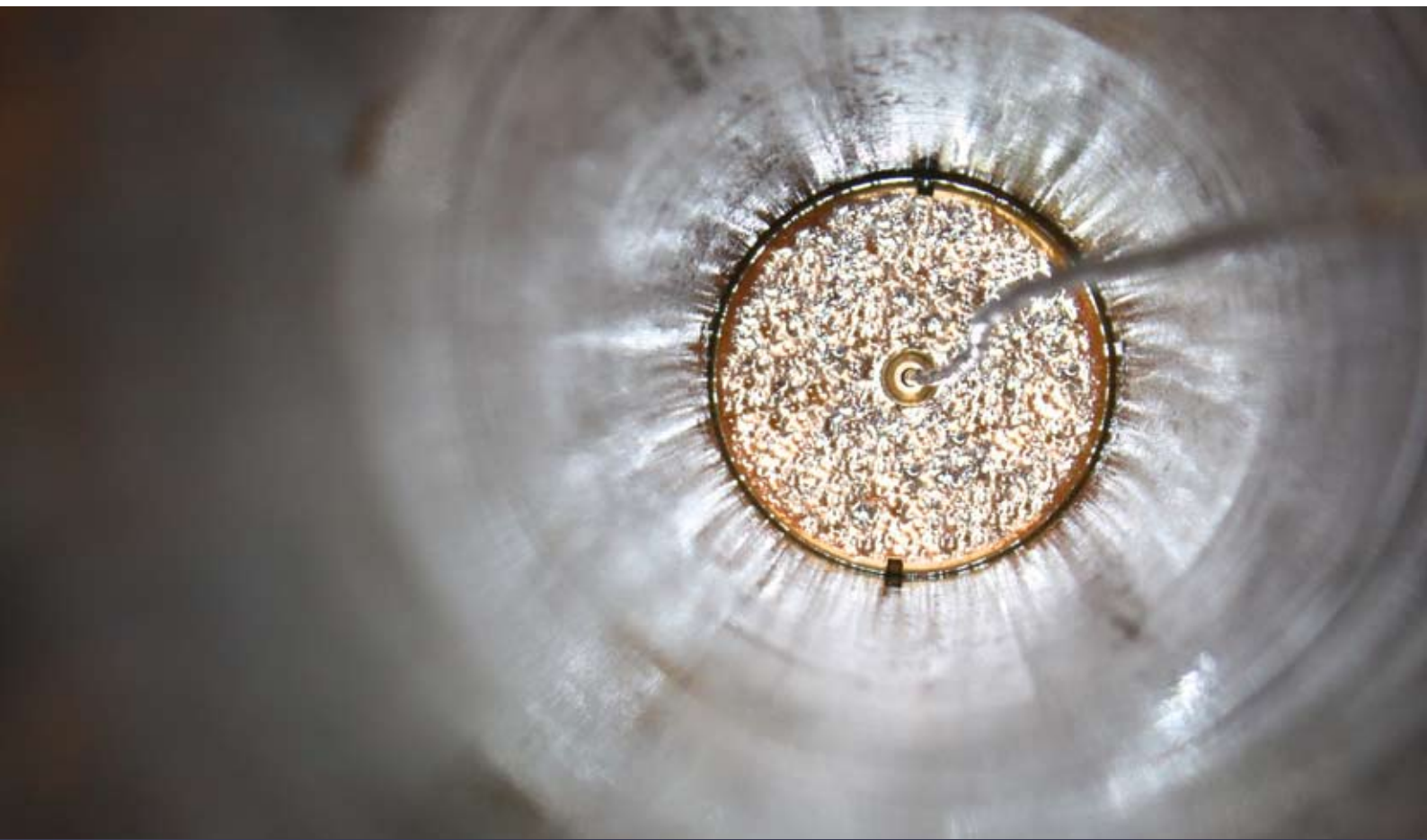




**BADGER**  
EXPLORER



Quarterly Report 4Q 2010

### PREPARING FOR THE PRE-COMMERCIAL PHASE

During 4Q 2010 Badger Explorer ASA has focused on the identification of a proper local clay/shale test site for the completion of step one of the final Milestone 3 of the prototype phase. Testing has commenced and the preliminary results of the clay drilling test justify further testing. BXPL has in parallel continued the development and building work on the Demo125 pre-commercial version. Furthermore several meetings with the sponsoring partners (ExxonMobil, Shell and Statoil) and potential new sponsors to secure support and funds for the pre-commercial phase have taken place. The Company is in the process of moving into new premises for co-location of workshop and offices that will strengthen the productivity throughout the pre-commercial phase.

In 2010 the main task was performing a closed cavity test and demonstrating the Badger Explorer concept in full scale. Successful tests took place at the test site in Brumunddal, leading to the approval of the concept demonstration as Milestone 2 by the three sponsoring parties on 7 December 2010.

The Badger Explorer tool was retrieved undamaged from the hole after having been completely buried. The inspection of the hole and detailed analysis showed that the drilling/compaction operation had been successful, leaving a clean and vertical well.

**The confirmation and approval by the sponsors are regarded as a major achievement in the Badger Explorer ASA's history.** The release and transfer of sponsoring funds related to the approval took place at the end of December.

The Badger Explorer prototype development project includes three Milestones:

Milestone 1: a technical feasibility study that has been confirmed in December 2005

Milestone 2: the full-scale concept demonstration that has been approved in December 2010

Milestone 3: conducting drilling and compaction operations in different lithologies.

Milestone 3 consists of two different tasks. Step one contains drilling and compaction operations in a clay/shale formation relevant to the seafloor sediments. This test commenced in February 2011. Thereafter the complete tool will be buried in open hole/formation at the test site at Brumunddal finalizing step two.

Jig-based drilling tests in clay/shale at the local test site have been conducted. They will be followed by a test performing drilling and compaction operations with the complete Badger Explorer tool in a closed cavity. Mobilization for the Brumunddal test will take place mid March.

The Company will thereafter be fully dedicated to the pre-commercial phase with the main purpose of developing versions of the Badger Explorer tool that can be used in commercial operations.

### CALIDUS ENGINEERING LTD., CORNWALL, UK, 50% SUBSIDIARY

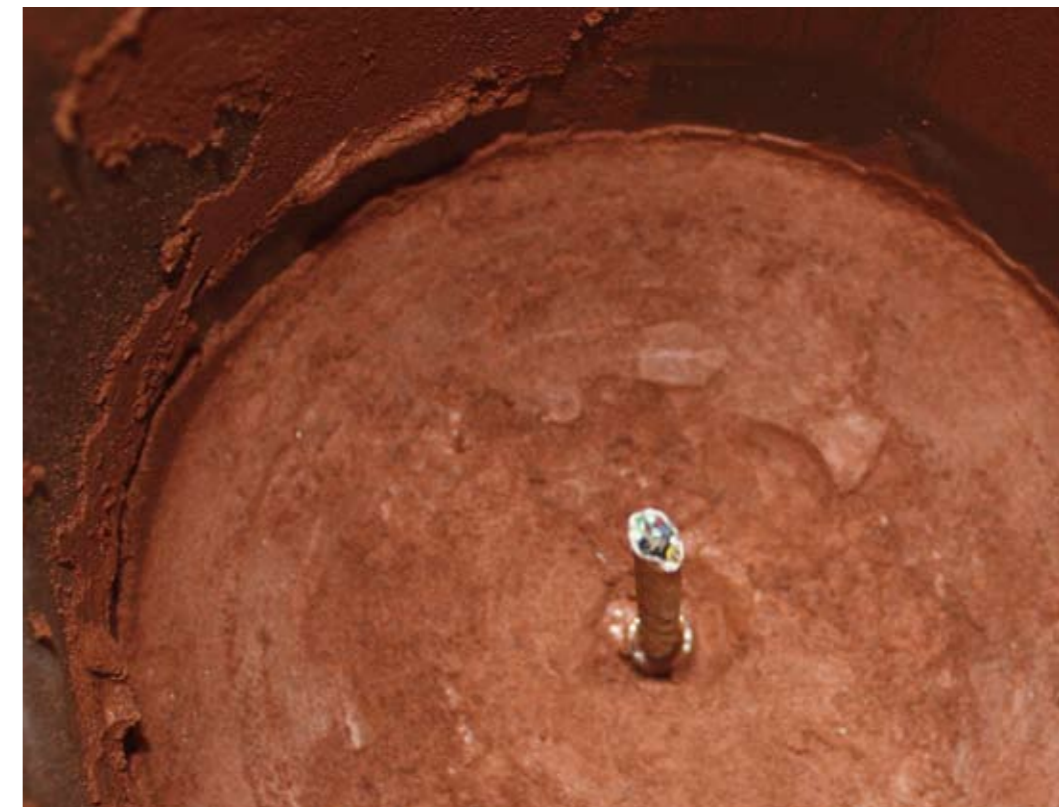
Calidus Engineering Ltd. (Calidus), UK, is a well-reputed multi-discipline engineering company specializing in designing down-hole equipment for harsh environments. In addition to modelling and engineering design services, Calidus has a machine shop especially for the manufacture of prototypes. Revenue comes from local and global clients from the oil industry, the geothermal industry as well as from the field of R&D. Calidus has become a vital supplier to Badger Explorer ASA. Throughout the second half of 2010 external develop work related to the Badger Explorer tool has been limited as BXPL's main focus has been on physical underground testing. Therefore Calidus' business volume related to the Badger Explorer has been reduced the last few months.

Calidus's turnover as of 31.12.2010 amounted to MNOK 15.8 compared to MNOK 16.9 as per 31.12.2009, out of which 27% (47% as of 31.12.2009) were deliveries to Badger Explorer ASA.

The net result before tax (EBT) amounted to MNOK 3.2 compared to MNOK 3.4 the year before.

Calidus' equity ratio is 88.6% by the end of 2010 and the cash position remains strong.

In 2011 Calidus Engineering has the right to sell additional 25% of its shares to Badger Explorer ASA. The concept for the price per share is pre-defined in the shareholder agreement.





#### FINANCIALS AND INVESTOR RELATIONS

In 2005 and 2007 the Company raised equity totalling MNOK 235. The funding agreements with the Company's three sponsors will include financial support in addition to valuable technical support. In addition during the pre-commercial phase the development program will aim to take full benefit of public grants. Altogether this provides a funding position which allows fully focusing on further technological development and the upcoming pre-commercial phase.

As of 31.12.2010 the Badger Explorer Group had a net equity of MNOK 182.1 (equity ratio of 87.4%) compared to MNOK 200.5 (equity ratio of 91.1%) as of 31.12.2009. The Badger Group's gross cash reserves as of 31.12.2010 amounted to MNOK 98.5 (including shares in a market based liquidity fund).

#### *Investor Relations Issues*

Badger Explorer ASA has currently 861 shareholders. Norwegian entities and individuals hold 63.6% of the total number of outstanding shares. As of 31.12.2010 the 20 largest shareholders held 71.5% of the outstanding shares, which has been at this level throughout 2010.

Mr Marcus Hansson, London/UK, was elected Board member at the Extraordinary General Meeting on 1 December 2010 as a replacement for Bjørge Gretland who resigned as a Board member as of 4.10.2010. At the same General Meeting Mr Bjørge Gretland was elected member of the Nomination Committee.

#### BADGER EXPLORER GROUP

The magnitude of the Badger Explorer Group operations comprises more than 50 people including Calidus engineers and dedicated specialists from the Company's client partners, suppliers and various research institutes. The core staff of Badger Explorer ASA consists of 16 people. The Group is seeking more technical and operational staff and the number of employees will increase.

#### MAIN FIGURES

Revenues for 4Q 2010 amounted to kNOK 5 729 and to kNOK 12 056 as of 31.12.2010, compared to kNOK 2 087 for 4Q 2009 and kNOK 8 978 as of 31.12.2009.

Operating expenses for 4Q 2010 amounted to kNOK 10 699 and to kNOK 30 634 as of 31.12.2010, compared to kNOK 8 129 for 4Q 2009 and to kNOK 24 662 as of 31.12.2009.

EBITDA for 4Q 2010 amounted to kNOK -4 970 and to kNOK -18 578 as of 31.12.2010, compared to kNOK -6 042 for 4Q 2009 and to kNOK -15 685 as of 31.12.2009.

During 4Q 2010 the total project development costs for the Badger Explorer Prototype amounted to kNOK 7 403 of which kNOK 6 216 were capitalized in 4Q 2010. As of 31.12.2010 the total development costs amounted to kNOK 32 540 of which kNOK 26 950 were capitalised.

Application for "Skattefunn" and NRC funding has been filed and approved for 2010. Public grants amounted to kNOK 1 805 as of 31.12.2010. All public grants were capitalised together with the project costs.

Earnings per share amounted to NOK -0.298 per share for 4Q 2010 and amounted to NOK -1.134 per share as of 31.12.2010. As of 31.12.2010 cash reserves amount to MNOK 45.9.

In addition the Company holds MNOK 52.6 in shares of a market based liquidity fund. During 4Q the value of these has increased by 0.4% resulting in net financials for the quarter of kNOK 574 and as of 31.12.2010 of kNOK 487. The market value of the liquidity fund has increased by 1.1% in 2011 so far.



CONSOLIDATED SUMMARY (Unaudited figures in NOK 1000)	4Q 2010	4Q 2009	31.12. 2010	31.12. 2009
Revenues	5 729	2 087	12 056	8 978
Operating expenses	10 699	8 129	30 634	24 662
EBITDA	-4 970	-6 042	-18 578	-15 685
Earnings per share (figures in NOK)	-0,298	-0,278	-1,134	-0,694
Projects development costs	7 403	9 904	32 540	36 003
Public grants for projects dev.	1 430	1 977	1 805	1 977
Cap. of dev. costs and public grants	4 786	6 282	25 145	28 584

#### OUTLOOK

At present the Company focuses on the completion of Milestone 3 of the prototype development project. Step one of Milestone 3 - the clay/shale formation drilling test - is about to be completed. Step two of Milestone 3 will be carried out immediately after the conclusion of step one.

In parallel several tasks related to the pre-commercial phase are being addressed and worked on. These include recruiting, detailed planning of all pre-commercial elements such as technical development plans, agreements with sponsors and market segmentation and business related issues.

The positive feedback by the sponsoring oil companies is encouraging and their approval of the concept demonstration is an important acknowledgement. BXPL also experiences increasing market attention. This is very motivating for the BXPL organization and gives reason for high optimism.

The main goals during the pre-commercial phase will be the design, development and the operation of the first customer-paid pilot version of the Badger Explorer tool. The Company's partners and carefully selected suppliers will be important contributors to this work.

Based on the achieved results and the received approval during 2010 as well as the overall technical progress of the project, BXPL increases its optimistic view on the technology based on identified markets and applications.

Stavanger 22 February 2011  
The Board of Directors  
Badger Explorer ASA





## QUARTERLY REPORT 4Q 2010 AND PRELIMINARY REPORT 2010

### ACCOUNTING POLICIES

Badger Explorer ASA 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 Jättåvågveien 7 - Building C, 4020 Stavanger, Norway. The consolidated financial statement of Badger Explorer ASA and all its subsidiaries (the Group) has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as of 31.12.2009. The financial statement has been prepared on an historical cost basis.

The Group's consolidated financial statement comprises Badger Explorer ASA (100%), Badger Plasma Technology as (100%) and Calidus Engineering Ltd. (50%). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Acquisitions of non-controlling interests are accounted for by using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

The interim financial statement does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements as at 31.12.2009. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31.12.2009.

Income statements in foreign subsidiaries are translated into NOK using the average exchange rate for the period (month). Assets and liabilities in foreign subsidiaries, including goodwill and adjustments for fair value included in the consolidation are translated into NOK using exchange rate at the balance sheet date. The exchange differences arising from the translation are recorded against the equity.

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 balance sheet 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.

Cost relating to development are capitalised following criteria's are met in full

- the product or the process is clearly defined and the cost elements can be identified and measured reliably;
- the technical solution for the product has been demonstrated;
- the product or the process will be sold or used in the company's operations;
- the asset will generate future financial benefits; and
- sufficient technical, financial and other recourses for completing the project are present

Costs that have been charged as expenses in previous accounting periods are not recognised in the balance sheet. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Revenue from sale of engineering services is recognised on a monthly basis based on completed monthly time sheets completed by the employee at the rate agreed with the customer. 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 balance sheet as long term liabilities as the contributions are subject to repayment. Ref. note 14 in the annual accounts.

The options granted in 2006 were during Q3 2009 replaced with new options. The options entitle the employees to purchase shares at a predetermined price during a 3.2 year period until 15.11.2012. This is an equity based option program and is recognized on the P&L under personnel costs and on the balance sheet under other paid in equity. The options are recognized over the vesting period starting from 15.09.2009. The option value is based on a third party evaluation of the options at the grant date where the Black-Scholes model was used for calculation. The replacement of options was treated as a cancellation and re-pricing under IFRS 2.

### CONSOLIDATED INCOME STATEMENT

Unaudited figures in NOK 1000	4Q 2010	3Q 2010	4Q 2009	Note	31.12. 2010	31.12. 2009
<b>Revenues</b>						
Other Income	5 729	3 315	2 087	4	12 056	8 978
Public grants	1 430	50	1 977	1	1 805	1 977
Capitalised public grants	-1 430	-50	-1 977	2	-1 805	-1 977
<b>Total Revenues</b>	<b>5 729</b>	<b>3 315</b>	<b>2 087</b>		<b>12 056</b>	<b>8 978</b>
<b>Operating Expenses</b>						
Cost of goods sold	2 068	758	663		3 166	2 639
External services for dev. project	4 079	2 726	5 298	4	16 889	20 767
Salary	7 602	7 129	6 609		26 244	19 373
Other Operating Expenses	3 165	2 631	3 818	4,10	11 286	12 444
Capitalised development cost	-6 216	-4 823	-8 259	3	-26 950	-30 561
<b>Total Operating Expenses</b>	<b>10 699</b>	<b>8 421</b>	<b>8 129</b>		<b>30 634</b>	<b>24 662</b>
<b>EBITDA</b>	<b>-4 970</b>	<b>-5 106</b>	<b>-6 042</b>		<b>-18 578</b>	<b>-15 685</b>
Depreciation	107	292	232		989	1 148
<b>EBIT</b>	<b>-5 077</b>	<b>-5 398</b>	<b>-6 274</b>		<b>-19 567</b>	<b>-16 832</b>
Net financial	574	-1 660	1 467	11,12	487	5 909
<b>EBT</b>	<b>-4 503</b>	<b>-7 058</b>	<b>-4 807</b>		<b>-19 080</b>	<b>-10 923</b>
Tax	-418	0	-235		-418	-235
<b>Net profit/loss from operations</b>	<b>-4 921</b>	<b>-7 058</b>	<b>-5 042</b>		<b>-19 497</b>	<b>-11 158</b>
Profit (loss) attributable to minority interests	571	178	66		1 408	1 572
<b>Profit (loss) attributable to equity holders of the parent</b>	<b>-5 492</b>	<b>-7 236</b>	<b>-5 107</b>	9	<b>-20 905</b>	<b>-12 730</b>
<b>Earnings per share</b>	<b>-0,298</b>	<b>-0,392</b>	<b>-0,278</b>		<b>-1,134</b>	<b>-0,694</b>
<b>Earnings per share diluted</b>	<b>-0,298</b>	<b>-0,392</b>	<b>-0,278</b>		<b>-1,132</b>	<b>-0,693</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Unaudited figures in NOK 1000)	31.12. 2010	Notes	31.12. 2009
<b>FIXED ASSETS</b>			
Development costs	89 156	3	64 010
Patent rights	387		387
Goodwill	5 640	4	5 710
<b>Total intangible assets</b>	<b>95 182</b>		<b>70 107</b>
Machinery, fixtures, etc.	3 642		3 333
<b>Total tangible assets</b>	<b>3 642</b>		<b>3 333</b>
Investment in shares	52 616	12	0
<b>Sum financial assets</b>	<b>52 616</b>		<b>0</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>151 440</b>		<b>73 440</b>
<b>CURRENT ASSETS</b>			
Inventory	4 213		854
<b>Sum Inventory</b>	<b>4 213</b>		<b>854</b>
Accounts receivable	3 959	4	1 520
Other receivables	2 905	4	3 115
<b>Total receivables</b>	<b>6 864</b>		<b>4 635</b>
Bank bonds	0	11	33 782
<b>Total current financial assets</b>	<b>0</b>		<b>33 782</b>
Cash and cash equivalents	45 888		107 316
<b>TOTAL CURRENT ASSETS</b>	<b>56 965</b>		<b>146 587</b>
<b>TOTAL ASSETS</b>	<b>208 404</b>		<b>220 027</b>

## EQUITY AND LIABILITIES (Unaudited figures in NOK 1000)

	31.12. 2010	Notes	31.12. 2009
<b>EQUITY</b>			
Share capital	2 305	4,5,10	2 305
Share premium reserve	217 100	5	217 100
Other paid in equity	2 286	4,6	946
<b>Total paid in equity</b>	<b>221 690</b>		<b>220 351</b>
Other equity	-45 696		-24 499
<b>Total retained earnings</b>	<b>-45 696</b>		<b>-24 499</b>
<b>Minority Interest</b>	<b>6 093</b>		<b>4 685</b>
<b>TOTAL EQUITY</b>	<b>182 087</b>		<b>200 536</b>
<b>LIABILITIES</b>			
Capitalised grants	17 935	7	13 855
Other long term liabilities	80		0
<b>Total long term liabilities</b>	<b>18 015</b>		<b>13 855</b>
Accounts payable	3 393	4,10	3 376
Public duties payable	2 604		222
Taxes payable	413		202
Other short term liabilities	1 893		1 835
<b>Total short term liabilities</b>	<b>8 303</b>		<b>5 635</b>
<b>TOTAL LIABILITIES</b>	<b>26 318</b>		<b>19 491</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>208 404</b>		<b>220 027</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited figures in NOK 1000	31.12. 2010	Note	31.12. 2009
Contribution from operations	-19 064		-16 808
Change in accounts receivable and accounts payable	-2 422	4,10	1 158
Change in other receivables and payables	909		4 189
<b>Net cash flow from operating activities</b>	<b>-20 577</b>		<b>-11 462</b>
Investments in fixed assets	-1 297		-1 055
Investment in/sale of bank bonds	33 782	11	5 591
Investment in shares	-52 616	12	0
Capitalisation of development cost	-26 950	3	-30 561
<b>Net cash flow from investment activities</b>	<b>-47 081</b>		<b>-26 025</b>
Grants from Skattefunn and RCN	1 805	1	1 977
Contribution from industry partners	4 080	7	0
Other changes in long term receivables and payables	80		0
Net financials	487	11,12	5 909
<b>Net cash flow from financing activities</b>	<b>6 452</b>		<b>7 886</b>
<b>Total net changes in cash flow</b>	<b>-61 206</b>		<b>-29 601</b>
Net foreign differences	-222		-656
Cash balance at beginning of period	107 316		137 573
<b>Cash and cash equivalents at end of period</b>	<b>45 888</b>		<b>107 316</b>
Net result	-20 905		-12 730
Employee options	1 340		684
Depreciation	989		1 148
Financial items	-487		-5 909
<b>Total contribution from operations</b>	<b>-19 064</b>		<b>-16 808</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in NOK 1000	31.12.2010	31.12.2009
<b>Total comprehensive income</b>		
Profit (loss) for the year (period):	-19 497	-11 158
Other comprehensive income		
Translation differences	-292	-1 149
<b>Comprehensive income at end of period</b>	<b>-19 789</b>	<b>-12 307</b>

## Distribution of total comprehensive income

Unaudited figures in NOK 1000	31.12.2010	31.12.2009
Equity holders of the parent	-21 197	-13 879
Non-controlling interest	1 408	1 572
	<b>-19 789</b>	<b>-12 307</b>

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Unaudited figures in NOK 1000	31.12.2010	Note	31.12.2009
Equity at beginning of period	200 536		212 160
Total comprehensive income	-19 789		-12 307
Employee options	1 340		684
<b>Equity at end of period</b>	<b>182 087</b>		<b>200 536</b>

## NOTES

- Projects in the Badger Explorer Program are supported by the Research Council of Norway and "Skattefunn" with a percentage of the total project cost. The calculated amount is accrued consecutively. Badger Explorer ASA is also supported by "Skattefunn" and RCN in 2010.
- The cost and the grants for the development of Badger Explorer Prototype project and Plasma Channel Drilling project are capitalised.
- The project development costs are capitalised in accordance with the IFRS regulations. Additional project cost not capitalised this year due to the restriction in the IFRS standard for the Badger Explorer Prototype project amounts to kNOK 5 590 per 31.12.2010.
- The 100% owned subsidiary, Badger Plasma Technology AS and the 50% owned subsidiary, Calidus Engineering Ltd. have been consolidated with the parent company Badger Explorer ASA starting from 01.12.2007. Intercompany sales and purchases, intercompany receivables and payables, intercompany investments and share capital are eliminated.
- The general assembly decided in meeting on 09.05.2007 to split the existing shares which gave an increase in 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 on Oslo Axess on 12.06.2007. The total number of shares per 31.12.2010 is 18 439 040 at par value of 0,125 per share.
- The options granted in 2006 were during 3Q 2009 replaced with new options. The new option program is accepted and effective from 15.09.2009, includes all employees and grants a total of 382 250 share options at a strike of NOK 10 and 25 000 share options at a strike of NOK 15. The options entitle the employees to purchase shares during a 3.2 year period until 15.11.2012. These are equity based option agreements and are recognised on the P&L under personnel costs and on the balance sheet under other paid in equity. The options (incl. Employers' national insurance contributions) are recognized over the vesting period starting from 15.09.2009. The option value is based on a third party evaluation of the options at the grant date where the Black-Scholes model was used for calculation. The replacement of options was treated as a cancellation and repricing under IFRS 2. The options were "in the money" per 31.12.2010. As of 4Q 2010 BXPL employees may exercise 1/3 of their options, thus the Board adopted the resolution to increase the number of shares by up to 135 750 at the Board meeting 20.10.2010 according to proxy. The 4Q 2010 exercise window was not utilized. Next exercise window will be in 1Q 2011.
- The Group has received contribution from the three industry partners amounting to a total of NOK 17 935 200 since 2005. This 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.
- Deferred tax asset has not been recognised.

9. Below table shows the segments of which the management is reporting to the Board of Directors. The segments are the main projects; Badger Explorer and Plasma Channel Drilling, engineering; Calidus Engineering Ltd. and other activities (mainly administration).

The column "other" includes all administration support and other costs not allocated directly to any of the other segments. All office equipment and cash in the Norwegian companies are included in this segment.

<b>31.12.2010 - Business segments</b>	Badger Explorer	Badger Plasma	Engineering	Other	Elimination	Total
Unaudited figures in NOK 1000						
Total revenue	0	0	15 777	525	-4 246	12 056
Segment profit (loss)	-5 590	0	1 408	-16 723	0	-20 905
Total assets	85 061	5 899	21 354	104 395	-8 305	208 404

<b>31.12.2009 - Business segments</b>	Badger Explorer	Badger Plasma	Engineering	Other	Elimination	Total
Unaudited figures in NOK 1000						
Total revenue	0	0	16 894	96	-8 013	8 978
Segment profit (loss)	-5 441	0	1 572	-8 861	-0	-12 730
Total assets	60 088	5 899	18 094	142 456	-6 510	220 027

<b>4Q 2010 - Business segments</b>	Badger Explorer	Badger Plasma	Engineering	Other	Elimination	Total
Unaudited figures in NOK 1000						
Total revenue	0	0	5 441	298	-11	5 729
Segment profit (loss)	-1 187	0	572	-4 877	0	-5 493

<b>4Q 2009 - Business segments</b>	Badger Explorer	Badger Plasma	Engineering	Other	Elimination	Total
Unaudited figures in NOK 1000						
Total revenue	0	0	3 505	0	-1 418	2 087
Segment profit (loss)	-1 645	0	66	-3 528	-0	-5 107

10. Related party transaction

Unaudited figures in NOK 1000

<b>Transaction with shareholders</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
Accounts payable*	0	311
Purchased services*	4 255	7 985

\*The Company has purchased engineering- and production services from Calidus Engineering Ltd. in which Badger Explorer ASA owns 50% and Nigel Halladay owns 50% of the shares. Nigel Halladay also owns 51 000 shares in Badger Explorer ASA.

<b>Shares held by members of the board and Management group</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
SIX SIS AG 25PCT (Board Director - Marcus Hansson)	500 000	500 000
Ahlqvist Invest AS (Chairman of the Board - Rolf E. Ahlqvist)	465 407	465 407
Dalvin Rådgivning AS (CFO - Gunnar Dolven)	301 872	301 872
CEO - Kjell Erik Drevdal	222 600	222 600
Nilsholmen Investering AS (Sr. VP Bus. Dev. & Strategy - Kjell Markman)	209 222	-
J.P. Morgan Bank Luxembourg S.A (Sr. VP Bus. Dev. & Strategy - K. Markman)	-	149 222
SEB Private Bank S.A. Luxembourg (Board Director - Marcus Hansson)	65 000	65 000
Nilsholmen AS (Sr. VP Bus. Dev. & Strategy - Kjell Markman)	20 200	80 200
Invest OK AS (Board Director - Kristine Holm)	15 000	15 000
Board Director - Marcus Hansson	11 668	-
5K International (CEO - Kjell Erik Drevdal)	10 000	10 000
Chevni AS (Board Director - Christian Bull Eriksson)	6 000	6 000
CFO - Gunnar Dolven	5 000	-
Board Director - Tone Kvåle	5 000	5 000
Mng. HR, Economy & Adm. - Hege Furland	2 858	2 858
Product Manager - Wolfgang Mathis	2 100	2 100
CTO - Erling Woods	1 000	1 000
<b>Ordinary shares</b>	<b>1 841 927</b>	<b>1 825 259</b>
% of total shares	10,0 %	9,9 %

11. Bank bonds

All of the Company's bank bonds were sold in January 2010.

12. Investment in shares

The Company owns 48 532 shares of First Norway Alpha KL IV-IA, a market based liquidity fund, to a net cost value of MNOK 53.9. The nominal value of the fund is deposited on overnight NIBOR contracts with Norwegian banks. Interest earnings are invested in share options. The value of the shares are monitored on a daily basis. The shares are not under any contractual obligation unless for a 3 days notice for settlement when selling the shares. The shares are classified under IAS39 as "financial assets at fair value through profit and loss" and are carried at market value.



**Badger Explorer ASA**  
Org.nr. 985 955 107 MVA

Visiting address: Jåttåvågveien 7, 4020 Stavanger, Norway  
Postal address: P.O. Box 130, 4065 Stavanger, Norway  
Switchboard: +47 52 97 45 00 / Fax: +47 52 97 45 01

<http://www.bxpl.com>