



www.bxpl.com

BADGER EXPLORER ASA - REMUNERATION GUIDELINES FOR 2012

The main principle of Badger Explorer ASA's remuneration policy of the Company's Management is to offer competitive terms in an overall perspective taking into account salary, payments in kind as well as bonuses and pension plans to avoid substantial turnover in Management. The Company shall offer salary levels that reflect the average salary levels in comparable Norwegian companies.

The determination of salaries and additional benefits of the Company's Management for the fiscal year 2011 was based on the remuneration guidelines approved by the Annual General Meeting on 27th April 2011. The determination of salaries and additional benefits of the Company's Management for the fiscal year 2012 will be based on the main principle noted below.

As a guideline the fixed salary for each member of the Company's Management shall be competitive and based on the individual's experience, responsibilities as well as the achieved results. Salaries as well as other benefits shall be reviewed annually, and adjusted as appropriate.

In addition to their base salary the Company's Management may be granted additional remuneration (bonus). If a bonus scheme is implemented the assessment criteria will be divided into parts where one part will be based on the Company's performance and the other part will be based on the individual performance. The targets to be reached by the CEO are to be determined by the Company's Board of Directors. The CEO decides on the relevant targets for the other members of Management based on principles defined by BXPL's Board of Directors.

The Company's Management will receive payment in kind such as paid newspaper subscriptions, cell phone expenses and payment of IT and telecommunication expenses.

On 15th September 2009 a new share option program for all employees was established. Out of a total of 407 250 allocated share options the Company's Management has been allocated 275 000 share options equaling 67.5% of all allocated share options. The options can be exercised within 36 months as of September 2009 (29 months for the Manager Quality, Risk and Supply Chain) and can be exercised only in tranches, at the earliest 12 months subsequent to the time of issue (at the earliest 15 September 2010 for the manager Quality, Risk and Supply Chain) and thereafter at up to 4 occasions during each year, between 3 and 10 days after presentation of the Company's quarterly results. Each option entitles the holder the right to purchase one share at a strike price of NOK 10.00 respectively NOK 15.00 (applicable for the 25,000 share options granted the Manager Quality, Risk and Supply Chain). On 6th September 2011 the new CEO was granted 370 579 share options at a strike price of NOK 19.00, which may be exercised after presentation of the 3Q 2014 report. Upon exercise of the options, the option holder shall pay to the Company a price of NOK 10.00 (respectively NOK 15 and NOK 19) per option share. If on the exercise day the market price of the BXPL shares is exceeding NOK 50 the exercise price shall be increased by an amount equivalent to 8% of the marked price deducting NOK 50.

All members of the Company's Management are included in the defined contribution pension scheme established by BXPL for all its employees. The scheme is deposit based and contributions range from 4% to 7% of the employee's salary - maximized to a percentage of 12G. The scheme is deposit based and maximized to a percentage of 12G. The retirement age for all employees including the Company's Management is 67 years.

The Board of Directors of Badger Explorer ASA has prepared this statement in accordance with the Public Limited Liability Companies Act §6-16a and will present it to the Annual General Meeting on 8th May 2012 for approval.