



## MINUTES OF MEETING

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### ANNUAL GENERAL MEETING FOR THE FISCAL YEAR 2011

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Badger Explorer ASA's ("Company") Annual General Meeting ("AGM") for the fiscal year 2011 was held on 8<sup>th</sup> May 2012 at 10:00 CET at Forusskogen1, 4033 Stavanger, Norway.

#### Agenda:

#### 1 OPENING OF THE AGM BY THE CHAIRMAN OF THE BOARD AND REGISTRATION OF ATTENDING SHAREHOLDERS

The AGM was opened by the Chairman of the Board of Directors ("Board"), Mr. Marcus Hansson, and the attending shareholders were registered.

Thus, 7 942 986 of a total of 18 537 288 shares were represented, which represents a total of 42.8%.

#### 2 ELECTION OF THE CHAIRMAN OF THE AGM AND ELECTION OF A PERSON TO CO-SIGN THE MINUTES TOGETHER WITH THE CHAIRMAN

Geir Hjellvik was elected to chair the AGM and Kjell Erik Drevdal was elected to co-sign the minutes together with the chairman.

#### 3 APPROVAL OF THE NOTICE AND THE AGENDA

The General Meeting approved the notice and the agenda without any objections, and it was noted by the chairman that the AGM was lawfully convened.

#### 4 APPROVAL OF THE ANNUAL REPORT AND THE ANNUAL ACCOUNTS FOR THE FISCAL YEAR 2011

The Board's proposal for the annual report and the annual accounts for Badger Explorer ASA and the Group were made available to all shareholders on the Company's website ([www.bxpl.com](http://www.bxpl.com)) together with the notice of the AGM. Recitation was therefore not necessary.

The annual report and the annual accounts for Badger Explorer ASA and the Group for the fiscal year 2011 were unanimously approved.

#### 5 THE BOARD'S REMUNERATION POLICY - GUIDELINES FOR 2012

The Board's guidelines on remuneration of the Company's management were made available to all shareholders on the Company's website ([www.bxpl.com](http://www.bxpl.com)).

The remuneration policy - guidelines for 2012 were presented to the General meeting. The AGM approved the remuneration policy - guidelines for 2012. 188 190 shares (1.02% of the shares represented at the AGM) voted against the proposal.

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#### 6 REMUNERATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS

The Board proposed that the AGM approves the remuneration for the Board for the fiscal year 2011 amounting to NOK 1,150,000, divided as follows:

Name	Remuneration
Marcus Hansson	200,000 NOK
Kristine Holm	150,000 NOK
Tone Kvåle	200,000 NOK
Clive Mather *	300,000 NOK
John R. Wilson *	300,000 NOK
<b>Total</b>	<b>1,150,000 NOK</b>

\* At the Extraordinary General Meeting held on 1<sup>st</sup> December 2010 the General Meeting provided the Board of Directors with a proxy to enter into agreements with close associates for the period as of 1<sup>st</sup> December 2010 until 31<sup>st</sup> December 2011. The remuneration is limited to 1,500 NOK per hour. The total remuneration for such agreements shall not exceed the amount of NOK 200,000 for the time period set above. Badger Explorer ASA entered into such agreements with Clive Mather and John R. Wilson, who are both members of the Board of Directors.

A shareholder asked if the remuneration for Clive Mather and John R. Wilson of NOK 300,000 each includes the additional remuneration of 200.000NOK (see information above - agreements with close associates). The Chairman of the Board answered that the remuneration of NOK 300,000 each does not include the additional remuneration. A shareholder asked further why there is such difference in remuneration between Board members. Mr. Hansson answered that the difference results from committee work as well as international experience.

The GM discussed in connection with the remuneration of Board members the agreements with close associates - see below.

The AGM approved the remuneration for the Board. 1 200 422 shares (6.5% of the shares represented at the AGM) voted against the proposal.

#### 7 REMUNERATION FOR THE MEMBERS OF THE NOMINATION COMMITTEE

The Board proposed that the AGM approves the remuneration for the members of the Nomination Committee amounting to NOK 35,000 divided as follows:

- Rolf E. Ahlqvist 15,000 NOK
- Bjørge Gretland 10,000 NOK
- Knut Åm 10,000 NOK

The AGM approved the remuneration of the members of the Nomination Committee.

#### 8 DETERMINATION OF COMPENSATION OF THE AUDITOR

The account of the fees proposed by the auditor Ernst & Young for its work during the fiscal year 2011, in total NOK 336,550 divided into NOK 240,000 for standard audit work, NOK 33,450 for assurance services and NOK 63,100 for other assistance. The proposal was unanimously approved.

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#### 9 ELECTION OF AUDITOR

Ernst & Young was unanimously re-elected as the Company's auditor.

#### 10 ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

The Nomination Committee's proposal regarding the election of two candidates to the Company's Board of Directors was presented to the AGM.

The AGM unanimously re-elected Chairman Marcus Hansson until the AGM in 2014 and Board member Kristine Holm until the AGM in 2013.

Therefore the Company's Board of Directors consists of:

- Marcus Hansson (Chairman), re-elected until AGM in 2014
- Kristine Holm (Board member), re-elected until AGM in 2013
- Tone Kvåle (Board member), re-elected until AGM in 2013
- Clive Mather (Board member), elected until AGM in 2013
- John Wilson (Board member), elected until AGM in 2013.

#### 11 AGREEMENT WITH CLOSE ASSOCIATES

For reaching the Company's goal of commercializing the Badger Explorer tool the Board proposed that the General Meeting approves the use of competence provided by close associates, if needed.

The Board has been given the proxy to enter into such agreements for the time period General Meeting provides the Board with a proxy to enter into such agreements for the period as of 8<sup>th</sup> May 2012. The authorisation shall be valid until the next Annual General Meeting to be held in 2013 but in no event longer than until 30<sup>th</sup> June 2013. The remuneration is limited to 1,500 NOK per hour. The total remuneration for such agreements shall not exceed the amount of NOK 250,000 for the time period set above. Time schedule and detailed specifications of duties shall be approved by the Board.

A shareholder called the GM's attention that if certain Board members should be granted additional remuneration it should be well documented with actual invoices. The Chairman of the Board explained the framework of the agreements with the close associates in further detail (see also above). He mentioned further that it helps the Company to reach its goal of commercializing the Badger tool to have additional resources available.

Another shareholder asked what the work of the Board members includes as the remuneration of the Board members is quite high compared to other Norwegian companies. The Chairman of the AGM mentioned that international Board members are used to higher Board remuneration than Norwegian Board members.

The Chairman of the Board explained that the scope of work for the agreements with close associates is minuted in the minutes of the Board meeting and approved by the Board.

A shareholder asked the Chairman of the Board how common additional remuneration is and if that influences the independence of the Board. The Chairman of the Board answered that it is not unusual to use the experience of Board members in connection with consultancy work.

The Chairman of the AGM asked the Company's auditor Tommy Lothe if he reviewed the contracts with the close associates and the connected invoices for 2011. The Company's auditor explained that this kind of agreements and the connected documents are subject to review of the Company's auditor.

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A shareholder asked if and to what degree the GM would be able to review the agreements with close associates. In light of the questions raised at the AGM, the auditor and the Board of Directors were asked to ensure satisfactory documentation of such remuneration in the future.

The AGM approved the proposal with the limits outlined above. 1 383 022 shares (7.5% of the shares, that were represented) voted against the proposal.

#### 12 ELECTION OF MEMBERS OF THE NOMINATION COMMITTEE

A shareholder mentioned that Rolf E. Ahlqvist sold a great number of his BXPL shares recently and asked why Ahlqvist should be elected Chairman of the Nomination Committee. It then was proposed to elect Kjell Erik Drevdal as Chairman of the Nomination Committee but because not all shareholders were personally present the GM could not vote on the proposal.

Therefore the AGM re-elected the following as members of said committee:

- Rolf E. Ahlqvist, re-elected until the AGM in 2014
- Knut Åm, re-elected until AGM in 2014.

1 194 832 shares (6.4% of the shares, that were represented) voted against the proposal.

#### 13 BOARD AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

##### Board Authorization I - Share Incentive Scheme:

A shareholder asked to whom options under this Board authorization could be issued to. The CFO of the Company and the Chairman of the Board answered that options under this authorization can be issued to employees (subsidiary and parent company), directors and others closely connected to BXPL. It was also asked if there were any plans for a new option program for employees. The Chairman of the Board answered that a new option program for employees is under consideration.

In accordance with the Board's proposal, the AGM passed the following resolution. 188 190 shares (1.02% of the shares represented at the AGM) voted against the proposal.

- 1) In accordance with the Public Limited Liability Companies Act § 10-14 the Board of Directors is provided with authorisation to increase the Company's share capital with up to NOK 115,858 by way of issuance of up to 926,864 shares of nominal value NOK 0.125.
- 2) The authorisation shall be valid until the next Annual General Meeting to be held in 2013 but in no event longer than until 30 June 2013.
- 3) The shareholders' preferential rights to subscribe for shares in accordance with the Public Limited Liability Companies Act § 10-4 may be waived.
- 4) The authorisation may be used to issue shares to employees, directors and others connected with the Company as a part of the Company's share incentive scheme.
- 5) The authorisation also includes share issues made against payment by other means than in cash (in kind contribution).
- 6) The authorisation is not valid in the event of a merger in accordance with the Public Limited Liability Companies Act § 13-5.
- 7) This authorisation shall together with the other authorisation provided by this General Meeting be the only valid authorisations for the Board of Directors to issue shares in the Company.

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#### Board authorisation II - Further capitalisation:

The AGM passed the following resolution.

- 1) In accordance with the Public Limited Liability Companies Act § 10-14 the Board of Directors is provided with authorisation to increase the Company's share capital with up to NOK 231,716 by way of issuance of up to 1,853,728 shares of nominal value NOK 0.125.
- 2) The authorisation shall be valid until the next Annual General Meeting to be held in 2013 but in no event longer than until 30 June 2013.
- 3) The shareholders' preferential rights to subscribe for shares in accordance with the Public Limited Liability Companies Act § 10-4 may be waived.
- 4) The authorisation may be used to issue shares to existing shareholders and external investors in connection with the Company's expansion, development and/or strategic acquisition.
- 5) The authorisation also includes share issues made against payment by other means than in cash (in kind contribution).
- 6) The authorisation is also valid in the event of a merger in accordance with the Public Limited Liability Companies Act § 13-5, and may also be used in the event the Company has agreed payment in shares in connection with an acquisition etc.
- 7) This authorisation shall together with the other authorisation provided by this General Meeting be the only valid authorisations for the Board of Directors to issue shares in the Company.

A shareholder asked if the Company plans to make use of the authorisation this year. It was answered that the Company evaluates this possibility continuously.

#### 14 GENERAL BRIEFING ON THE STATUS OF THE COMPANY AND FUTURE PROSPECTS

The CEO held a brief presentation, informing the shareholders of the current status of the Company and future plans and prospects. The AGM took note of the presentation.

There were no further matters. Meeting adjourned.

A handwritten signature in cursive script, appearing to read "Geir Hjellvik".

Geir Hjellvik

A handwritten signature in cursive script, appearing to read "Kjell Erik Drevdal".

Kjell Erik Drevdal

#### Enclosures:

1. List of attending shareholders

**AGM for 2011 - 8th May 2012**  
**Attendance and Proxies**

<b>Proxies</b>	<b>Shares</b>	<b>%</b>
Frode Vaksvik & Skavak Invest AS	90466	0,48802
Convexa Capital IV AS	3200780	17,26671
Tone Kvåle	5000	0,02697
GS Int. Equity - SS	922224	4,97496
Jan Reid Hole	22000	0,11868
Sigmund Stokka	194440	1,04891
Holberg Fondene	877828	4,73547
Beverdalen Invest AS	533	0,00287
BT Pension Scheme	188190	1,01519
Mayora Suppannuation Fund	55000	0,29669
Kenneth Rosén	13880	0,07487
Ole Christian Brevik	3000	0,01618
Hege Furland	2858	0,01542
IRIS Forskningsinvest AS	527903	2,84778
Johannes Vold	3000	0,01618
Nigel Halladay	77500	0,41807
Fredrik Hagemann	2000	0,01078
Lauren Tamblyn	10000	0,05394
Erga Invest AS	10000	0,05394
Knut Åm	242600	1,30871
Wolfgang Mathis	3100	0,01672
<b>Total</b>	<b>6452302</b>	<b>34,80706</b>

**Attendance**

John Dag Hutchinson	10000	0,05394
Geir Hjellvik /Lithinon AS	81622	0,44031
Reidar Magne Liland	500	0,0027
Marcus Hansson	576668	3,11085
Mads Bakken AS	50000	0,26972
Kjell Erik Drevdal & 5K International	232600	1,25476
Kjell Markman /Nilsholmen AS	229422	1,23762
Gunnar Dolven & Dalvin Rådgivning	309872	1,67162
<b>Total</b>	<b>1490684</b>	<b>8,04152</b>

Proxies	6452302	34,80706
Attendees	1490684	8,04152
<b>Grand total</b>	<b>7942986</b>	<b>42,84858</b>