



BADGER
EXPLORER



Quarterly Report Q1 2015

HIGHLIGHTS Q1 2015

Badger Explorer ASA (BXPL) completed the Demonstrator Program in February 2015.

Since then, the main focus at BXPL during Q1 2015 has been to prepare for the next phase, The Badger Development Program (BDP).

The recent fall in the oil price has led to comprehensive restructuring and cost cutting within the oil industry. As a result, BXPL experience a reduced ability from Oil Companies to support technology development ventures like the Badger Project.

During Q1 2015, BXPL implemented a large cost saving program to adjust to the new business climate.

By the end of the Q1 2015, 38 % of staff were made redundant, salaries for senior management were reduced and further cost cuts were implemented. 2015 turns out to be a challenging year and BXPL has revised its 2015 plan so that the company will survive on limited cash.

Together with the oil companies the Development Program has been rescheduled to fit the present financial climate. This means BXPL is planning for less spending during 2015, and a ramp up later during the Development program.

BXPL is currently negotiating such a rescheduled program plan with the sponsoring oil companies.

It is BXPL's ambition to enter a partner agreement with one oil company by the end of H1 2015, to sign an agreement with a second partner by the end of Q3 2015 and a third partner within H1 2016. With three partners on-board the Badger Board of Directors are of the opinion that the funding for the next phase is secured.

The next step, with three partners on-board and technical progress according to plan, will be to initiate a strategic relationship with an oil service company to speed up product development and prepare for market introduction.

COMPLETION OF THE BADGER EXPLORER DEMONSTRATOR PROGRAM

The Demonstrator Program was approved by the partners in a steering committee meeting in February 2015. The results from Milestones 5 and 6 have given Badger Explorer new and valuable information about the tool performance. Laboratory analysis of the permeability in the compacted plug exceeded the expectations and was substantially better than the test requirement. In combination with the results from the previous milestones this provides a solid foundation for the next phase, the Development Program.

THE BADGER EXPLORER DEVELOPMENT PROGRAM

BXPL has previously finalized the Badger Explorer Development Program Scope of Work and identified the main milestones in the Program. The formal agreement and the Scope of Work have been put together in close cooperation with our partners.

In Q1 2015, Badger Explorer and the partners have further worked on the Scope of Work and adjusted the order in which tasks will be executed. These adjustments will not change the overall objective of the program and qualification of technologies for a commercial Badger tool.

The main tasks for the first phase of the program are Cuttings Transport Systems and Compaction Systems. The Cuttings Transport System will be based on previous work completed together with Honeybee Robotics and experiences gathered during the Demonstrator Program tests. The main work related to the Compaction system will be executed as part of the Petromaks2 project which started in 2014. The Project will develop HPHT ultrasonic transducers which will be used to further characterize compaction efficiency in realistic conditions.



FINANCIALS

Investor Relations

Badger Explorer ASA had 755 shareholders on 31st March 2015. Norwegian entities and individuals held 64.9% of the outstanding shares and the 20 largest shareholders held 70.8% of the outstanding shares.

Badger Explorer ASA

The staff of Badger Explorer ASA consisted of 9 full-time employees as of 31st March 2015, compared to 13 employees as of 31st March 2014.

Main Figures

Revenues for Q1 2015 were NOK 0.00, compared to NOK 0.00 for Q1 2014.

Operating expenses for Q1 2015 were NOK 4.035 million, compared to NOK 4.804 million for Q1 2014.

EBITDA for Q1 2015 was NOK -4.035 million, compared to NOK -4.804 million for Q1 2014.

Total development costs of the Badger Explorer project in Q1 2015 were NOK 4.852 million, of which NOK 3.924 million was capitalized. Total development costs of the Badger Explorer project in Q1 2014 were NOK 8.977 million, of which NOK 7.876 million was capitalized.

Capitalized public grants for the Badger Explorer project were NOK 1.878 million for Q1 2015, compared to NOK 3.003 million for Q1 2014.

Earnings per share amounted to NOK -0.23 per share for Q1 2015, compared to NOK -0.29 per share for Q1 2014.

The cash position at BXPL was NOK 1.082 million as of 31st March 2015, compared to NOK 10.374 million as of 31st March 2014.

As of 31st March 2015, BXPL had a net equity of NOK 74.925 million (equity ratio of 48.9%), compared to NOK 96.449 million as of 31st March 2014 (equity ratio of 61.6%).

Net cash flow arising from the operating activities for Q1 2015 was NOK -4.856 million, compared to NOK -9.012 million for Q1 2014. Net cash outflow includes payments to vendors for goods and services received.

Net cash flow arising from the investment activities for Q1 2015 was NOK -3.924 million, compared to NOK -7.876 for Q1 2014. Net cash outflow includes all the development costs related to the Badger Explorer Development project, which are eligible for capitalization.

Net cash flow arising from the financing activities for Q1 2015 was NOK 5.511 million, compared to NOK 2.319 million for Q1 2014. Net cash inflows in the Q1 2015 include payments for Milestones 5 and 6 from Statoil Petroleum AS, ExxonMobil and Wintershall Norge AS, also public grants from RCN.

Total net changes in cash flow for Q1 2015 were NOK -3.269 million, compared to NOK -14.569 million for Q1 2014.

BXPL holds 15% of shares in SST as of 31st March 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.

SUMMARY	Quarters			Year to date	
	Q1 2015	Q4 2014	Q1 2014	31.03.2015	31.03.2014
Unaudited figures in NOK 1000					
Revenues	0	0	0	0	0
Operating expenses	4 035	5 378	4 804	4 035	4 804
EBITDA	-4 035	-5 378	-4 804	-4 035	-4 804
Earnings per share	-0.23	-0.33	-0.29	-0.23	-0.29
Projects development costs	4 852	6 052	8 977	4 852	8 977
Public grants for projects development	1 878	2 558	3 003	1 878	3 003
Capitalization of development costs and public grants	2 046	2 511	4 874	2 046	4 874

ANNUAL GENERAL MEETING (AGM) 2014

On the 5th May 2015, BXPL held the AGM for 2014.

In H1 2015, there is uncertainty as to whether BXPL has sufficient funding to operate through 2015. Hence, the audit report given for 2014 is un-qualified. However, the Board has the confidence that funding will be secured for 2015 and therefore the 2014 accounts were approved on a going concern basis.

At the AGM Ms Tone Kvaale resigned as Board member after 8 years of service. An Extraordinary General Meeting will be held before end of June 2015 to elect a new female board member.

OUTLOOK

The oil business is currently undergoing comprehensive changes and cost cuttings. In such a climate BXPL is confident to achieve the necessary support for the Badger Development Program. BXPL is also confident the agreed technical deliveries for 2015 are achievable.

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

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 31 March 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 quarterly results in 2016 and 2017. A total number of 51,000 share options vested on 31 March 2015. The remaining 523,000 share options were "out of the money" as of 31 March 2015.

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

INCOME STATEMENT

	Quarters			Note	Year End
	Q1 2015	Q4 2014	Q1 2014		31.12.2014
Unaudited figures in NOK 1000					
Revenues					
Other Income	0	0	0		0
Public grants	1 878	2 558	3 003	1,2	14 675
Capitalized public grants	-1 878	-2 558	-3 003	1,2	-14 675
Total Revenues	0	0	0		0
Operating Expenses					
External services for development project	2 068	3 102	5 676		16 520
Payroll and related costs	3 281	5 117	4 267		17 343
Other operating expenses	2 610	2 227	2 738		11 357
Capitalized development costs	-3 924	-5 068	-7 876		-24 107
Total Operating Expenses	4 035	5 378	4 804		21 113
EBITDA	-4 035	-5 378	-4 804		-21 113
Depreciation	60	67	90		301
Operating profit (loss)	-4 094	-5 446	-4 894		-21 414
Net financial income (loss)	-101	-642	-441	3,10	-1 951
Profit (loss) before taxes	-4 196	-6 087	-5 335		-23 365
Tax on ordinary result	0	0	0		0
Net profit (loss)	-4 196	-6 087	-5 335		-23 365
Profit (loss) attributable to non-controlling interests	0	0	0		0
Profit (loss) attributable to equity holders of the parent	-4 196	-6 087	-5 335		-23 365
Earnings per share	-0.23	-0.33	-0.29		-1.26
Earnings per share diluted	-0.23	-0.33	-0.29		-1.23

STATEMENT OF FINANCIAL POSITION

Unaudited figures in NOK 1000

ASSETS	31.03.2015	31.03.2014	Note	31.12.2014
NON-CURRENT ASSETS				
Capitalized development costs	142 263	135 659	2,6	140 218
Patent rights	387	387		387
Total intangible assets	142 650	136 046		140 604
Property, plant & equipment	242	483		301
Total tangible assets	242	483		301
Investments in associates	0	2 214	3,10	0
Total investments in associates	0	2 214		0
TOTAL NON-CURRENT ASSETS	142 891	138 742		140 906
CURRENT ASSETS				
Other receivables	9 297	7 350		5 391
Total receivables	9 297	7 350		5 391
Cash and cash equivalents	1 082	10 374		4 351
TOTAL CURRENT ASSETS	10 379	17 724		9 741
TOTAL ASSETS	153 271	156 466		150 647

Unaudited figures in NOK 1000

EQUITY AND LIABILITIES	31.03.2015	31.03.2014	Note	31.12.2014
EQUITY				
Share capital	2 317	2 317	3	2 317
Share premium	218 070	218 070	4	218 070
Other paid in capital	3 824	3 122	5	3 660
Total paid in equity	224 211	223 509		224 047
Retained earnings	-149 286	-127 060		-145 091
Total retained earnings	-149 286	-127 060		-145 091
TOTAL EQUITY	74 925	96 449		78 956
LIABILITIES				
Capitalized grants	73 500	53 920	6	66 520
Total non-current liabilities	73 500	53 920		66 520
Accounts payables	1 799	3 891	3,8	2 394
Public duties payables	1 118	756		1 650
Other short term liabilities	1 928	1 451		1 126
Total current liabilities	4 845	6 098		5 170
TOTAL LIABILITIES	78 345	60 018		71 690
TOTAL EQUITY AND LIABILITIES	153 271	156 466		150 647

STATEMENT OF CASH FLOW

Unaudited figures in NOK 1000	Quarters			Year End	
	Q1 2015	Q4 2014	Q1 2014	Note	31.12.2014
Contribution from operations*	-3 870	-5 223	-4 648		-20 419
Change in accounts receivables and accounts payables	-595	-784	-511	3,8	-2 007
Change in other receivables and payables	-391	1 203	-3 854		-1 287
Net cash flow from operating activities	-4 856	-4 803	-9 012		-23 714
Capitalization of development cost	-3 924	-5 068	-7 876	2	-24 107
Sale of shares in subsidiaries	0	0	0	3	0
Net cash flow from investment activities	-3 924	-5 068	-7 876		-24 107
Public grants	1 673	3 554	2 274	1	13 908
Contribution from industry partners	3 940	12 600	0	6	12 600
Interest received	28	515	118		648
Interest paid	-129	-140	-72		-303
Other financial income	0	108			375
Proceeds from borrowings financial institution	0	-2 827		11	0
Net cash flow from financing activities	5 511	13 810	2 319		27 227
Total net changes in cash flow	-3 269	3 939	-14 569		-20 594
Cash and cash equivalents beginning of period	4 351	412	24 943		24 943
Cash and cash equivalents end of period	1 082	4 351	10 374		4 351
Profit (loss) attributable to equity holders of the Company	-4 196	-6 087	-5 335		-23 366
Employee options	165	156	156	5	694
Depreciation	60	67	90		301
Financial income	-28	-623	-118		-1 053
Financial expenses	129	140	72		304
Share of (profit) / loss of associates	0	810	487	3,10	2 387
Impairment of financial assets	0	157	0	10	157
Loss on sale of associate and shares	0	157	0	3,10	157
*Contribution from operations before tax	-3 870	-5 223	-4 648		-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					-4 196	0	-4 196
Option plan payment	5			165			165
Equity as of 31.03.2015		2 317	218 070	3 824	-149 286	0	74 925

STATEMENT OF COMPREHENSIVE INCOME

Unaudited figures in NOK 1000

	Quarters			Year to date	
	Q1 2015	Q4 2014	Q1 2014	31.03.2015	31.03.2014
Total comprehensive income					
Profit (loss) for the year (period)	-4 196	-6 087	-5 335	-4 196	-5 335
Other comprehensive income - items that will later be reclassified to profit and loss					
Translation differences	0	0	0	0	0
Comprehensive income at end of period	-4 196	-6 087	-5 335	-4 196	-5 335

	Quarters			Year to date	
	Q1 2015	Q4 2014	Q1 2014	31.03.2015	31.03.2014
Total comprehensive income attributable to:					
Equity holders of the parent	-4 196	-6 087	-5 335	-4 196	-5 335
Non-controlling interest	0	0	0	0	0
Total comprehensive income	-4 196	-6 087	-5 335	-4 196	-5 335

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. During Q1 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 715,723 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 for NOK 928,000 as per 31 March 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 31 March 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 per 31 March 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 up to 2 occasions during each calendar year, between three and ten days after publications of the Company's Q1 and Q3 quarterly results in 2016 and 2017. A total number of 51,000 share options vested on 31 March 2015. The remaining 523,000 share options were "out of the money" on 31 March 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" as of 31 March 2015.

6. BXPL received contributions from the following industry partners: Statoil Petroleum ASA, ExxonMobil Exploration and Production Norway AS, Shell Technology Norway AS (the previous Prototype Program partner), Chevron Energy Technology Company and Wintershall Norge AS. A total of NOK 73.500 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.

On 5 August 2014, BXPL signed a Co-operation Agreement with China National Petroleum Corporation Drilling Research Institute (CNPC DR), whereby CNPC DR became a new sponsoring partner of the Badger Explorer Demonstrator Program. In consideration of the participation in the Demonstrator Program, BXPL has invoiced CNPC DR worth of NOK 12.600 million. The contribution of NOK 13.100 million was received in November 2014. BXPL realized NOK 500,066 of exchange gain with respect to the payment received. The contribution is recognised as capitalized grants in the statement of financial position.

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 in March 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)

The contributions of NOK 1.840 million from Chevron Energy Technology Company and NOK 1.2 million from CNPC DR were received after the closing of Q1 2015 due to prolonged approval process.

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	31.03.2015	31.03.2014
Purchases of services*	1 144	1 099

* In June 2013, BXPL entered into a consultancy agreement with two of its largest shareholders - Dalvin Rådgivning AS and Nilsholmen AS. During Q1 2015, payments totalling NOK 448,885 were made to Dalvin Rådgivning AS in respect of performed consultancy services and NOK 4,740 related to travel expenses. Mr. Gunnar Dolven, who is a CFO of BXPL, is a director of Dalvin Rådgivning AS. During Q1 2015, Nilsholmen AS, a company owned by Mr. Kjell Markman who is a Sr.VP Business Development & Strategy of BXPL, received payments of NOK 643,943 in respect of performed consultancy services and NOK 46,165 related to travel expenses.

Transactions with Severen Subsea Technologies Ltd where BXPL hold a 15% investment	31.03.2015	31.03.2014
Accounts payable**	7	552
Purchased services**	7	1 439

**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	31.03.2015	31.03.2014
SEB Private Bank S.A. Luxembourg (Chairman of the Board - Marcus Hansson)	565 000	565 000
Dalvin Rådgivning AS (CFO - Gunnar Dolven)	301 872	301 872
Nilsholmen Investering AS (Sr. VP Business Development & Strategy - Kjell Markman)	209 222	209 222
President & CEO - Steinar Bakke	30 000	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	5 000	5 000
Ordinary shares	1 150 962	1 150 962
% of total shares	6.2 %	6.2 %

9. Fair value hierarchy

As at 31 March 2015, BXPL holds financial assets of the 15% shares in SST at fair value in the statement of financial position.

10. Investment in shares

Unaudited figures in NOK 1000

On 28 June 2013, BXPL entered into the Share Purchase Agreement (Agreement) with Severn Glocon Group PLC (Severn Glocon), whereby BXPL sold 84 shares pursuant to the Agreement representing 70% of the issued share capital of its subsidiary Severn Subsea Technologies Ltd. (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 31 March 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 31 March 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 31 March 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. The facility has not been used during Q1 2015.

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