Appendix

This appendix forms part of the stock exchange announcement of 26 October 2016 and is prepared in accordance with the requirements of the Oslo Stock Exchange Continuing Obligations section 3.4.

Description of the business

Fjords Processing provides well-stream processing technology, systems and services to the upstream oil and gas industry. The company delivers market-leading solutions for separation and treatment of oil and gas, based on innovative technology and extensive competence accumulated over the last 40 years. Fjords Processing is headquartered in Fornebu, Norway, and has about 500 employees in 15 countries.

The transaction

The transaction comprises the sale by Akastor of the Fjords Processing business (excluding the Cool Sorption business) to National Oilwell Varco ("NOV") for a consideration of NOK 1,200 million on a debt and cash-free basis (enterprise value). The agreed purchase price will be adjusted for actual net debt and working capital as per closing of the transaction and will be settled in cash. The transaction agreement is entered into on market terms, including customary representations and warranties, as well as indemnities for a limited number of items.

The completion of the transaction is subject to customary closing conditions, including regulatory competition filing in Norway and Korea. The transaction is expected to close during Q4 2016.

Executive management of Fjords Processing

Fjords Processing is managed by a leader group comprised of the following individuals:

Rune Fantoft (CEO)
Frode Garlid (CFO and Chief of Staff)
Kjetil Ulving-Tufte (SVP Business Development & Communications)
Unni Hammerstad (SVP Head of Global HR)
Matthew Rummer (SVP Head of Asia Pacific Region)
Lucie Addicks (SVP Head of Europe, Middle East, Africa Region)
Michael Buffet (SVP Head of Strategic Developments and Lifecycle Services)
Spencer Oulman (SVP and Global Head of Innovation and Technology Management)

Board of Directors of Fjords Processing 1 AS

The board of Fjords Processing 1 AS comprise the following directors:

Karl Erik Kjelstad (Chairman)
Leif Hejø Borge (Director)
Paal Espen Johnsen (Director)
Øyvind Paaske (Director)
Rune Olav Magerøy (Director - Employee representative)
Marit Johanne Paulsen (Director - Employee representative)
Michael Geoffrey Allcock (Director - Employee representative)

Key financial figures (excluding Cool Sorption)

In NOK million	H1 2016	H1 2015	2015	2014	2013
Revenue	1 077	849	1 884	2 240	1 929
EBITDA	78	33	110	79	81
EBIT	61	18	79	55	59
EBITDA margin	7.2 %	3.9 %	5.8 %	3.5 %	4.2 %
EBIT margin	5.7 %	2.1 %	4.2 %	2.5 %	3.1 %

Key balance sheet items (excluding Cool Sorption)

In NOK million	30.06.2016	2015	2014	2013
Non-current assets	585	618	611	457
Cash & cash equivalents	221	218	373	406
Other current assets	1 237	1 211	1 249	1 110
Total assets	2 043	2 047	2 232	1 973
Equity	716	679	756	561
Long term liabilities	44	47	62	48
Current liabilities	1 283	1 320	1 414	1 364
Total Equity & liabilities	2 043	2 047	2 232	1 973

Strategic effects of the transaction

Akastor is a Norwegian oil service investment company with a portfolio of companies in the oilfield sector in addition to other smaller sized holdings. Akastor's aim is to develop and refine its portfolio companies as stand-alone enterprises, with the goal of maximizing the value potential of each entity. Divesting Fjords Processing is an important strategic transaction for Akastor. Over the recent years, Akastor has focused its efforts regarding Fjords Processing on streamlining the business and strengthening operational performance, as well as expanding business opportunities. Fjords Processing today has a strongly diversified market presence and is delivering record earnings in 2016. Akastor believes Fjords will benefit from having NOV as a strategic owner with an ambition and potential to develop market synergies.

Agreements entered into with Fjords management

Other than customary retention arrangements for defined senior employees in order to secure orderly and fast completion and transition of the transaction, no agreements have been entered into or are expected to be entered into in connection with the transaction.