Annual General Meeting for 2010

BADGER EXPLORER

General Briefing by Kjell Erik Drevdal - CEO

Imagine

rig-less exploration

Agenda

I. Highlights

II. Badger Explorer –
Rig-Less Exploration – A Game Changer

III. Project Update

IV. Pre- Commercial Activities

V. Calidus Engineering Ltd.

VI. Financials

VII. Outlook

Steering Committee approved Milestone 2 in December 2010

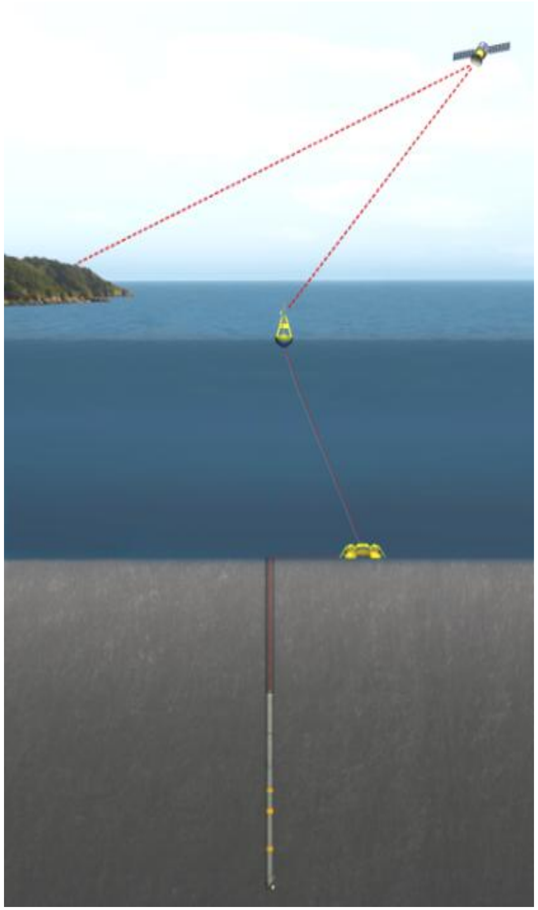
Agreed with sponsors on scope of work for Milestone 3

- **Step one:** Drilling and compaction operations in clay
- **Step two:** Final and deeper closed cavity drilling test at Brumunddal

Continued development of 125Demonstrator

Meetings & negotiations to secure support and funds for the pre-commercial phase

Moving into new combined premises



Badger Explorer, an autonomous drilling machine, a rig-less "fly by wire" exploration tool

- Drills into the underground and buries itself
- Slim electrically powered drilling system
- Carries sensors, which continuously record formation data
- Non-reusable exploration tool that remains in the underground

Consists of the following main functions

- Drill bit driven by an electro-motor and gear
- Cutting transport, separation, deposition, compression and fracture injection device
- Spooled cable; power supply and data transfer
- Formation evaluation logging package

Company established in Stavanger, Norway in 2003

- Based on research and patented idea by IRIS

Prototype development agreement with client partners in 2005

- ExxonMobil, Shell and Statoil

Listed on the Oslo Stock Exchange (Oslo Axess list) in June 2007

Acquisition of a 50% stake of Calidus Engineering Ltd. in November 2007

Extended agreement with client partners Statoil, ExxonMobil and Shell in 2008

Strategic industrial co-operation agreements signed in 2009

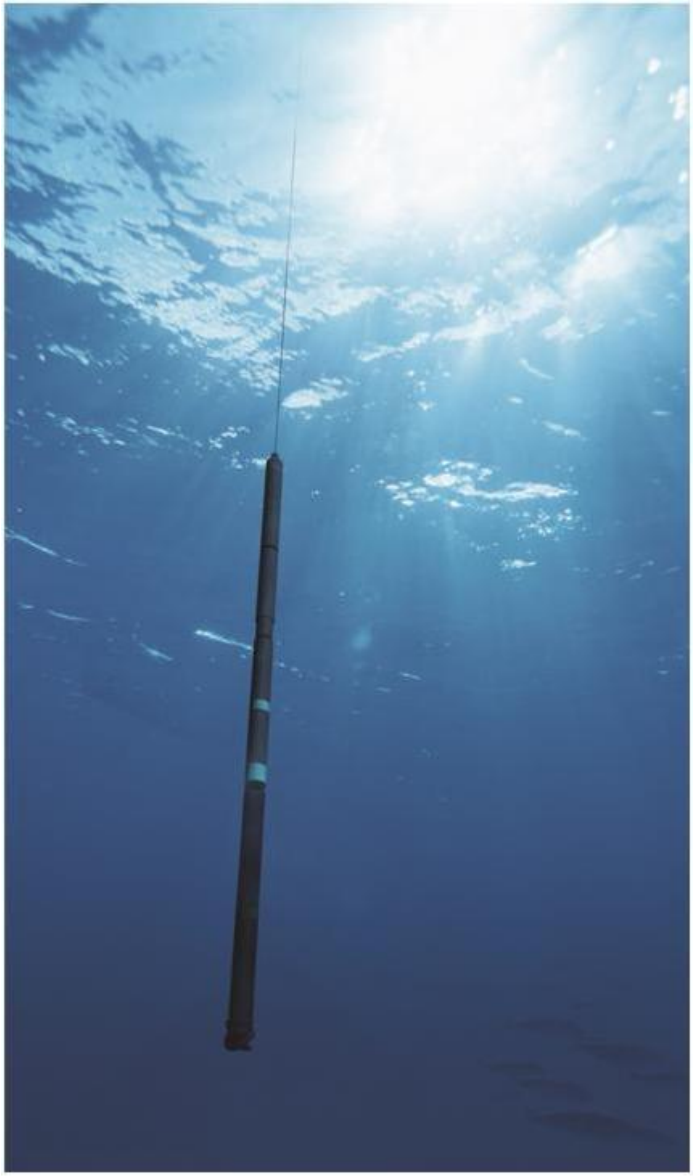
Groundbreaking demonstration of concept in April 2010 and full scale proof-of-concept test below ground-and water level performed in October 2010

BXPL's Steering Committee approved Milestone 2 in December 2010

Acquisition of an additional 25% stake of Calidus Engineering Ltd. in April 2011

II. The Badger Explorer Concept

Revolutionary Technology	75% lower cost vs. current methods Higher quality and volume of data collected Faster mobilisation and data collection Longer and wider operational window in arctic areas
Environmental & Safety Superior	Very low emission to sea and air Energy consumption less than 1% compared to rigs Increased focus & requirements for cleaner operations Very low people intensive operation
Top Tier Partners & Team	Extensive technical and operational experience ExxonMobil, Shell and Statoil as active partners Partner contribution: funding, expertise, operational support and prospective sales BXPL attractive as customer & cooperative party
High Demand & Unique Earnings	Goal of 50% EBITDA profit target 10-20 MUSD cost /operation compared to 50-100 MUSD Partners granted 3 years first right of refusal for BXPL full operations capacity Competitive under all market conditions



Milestone 2 approved in December 2010

The Milestone consisted of:

- Full scale verification of the Badger Explorer concept
- The tool drilled in an autonomous operation in a sandstone formation
- Cuttings were transported and separated as well as compacted into a solid plug
- Fully submerged under water

Scope of work for Milestone 3

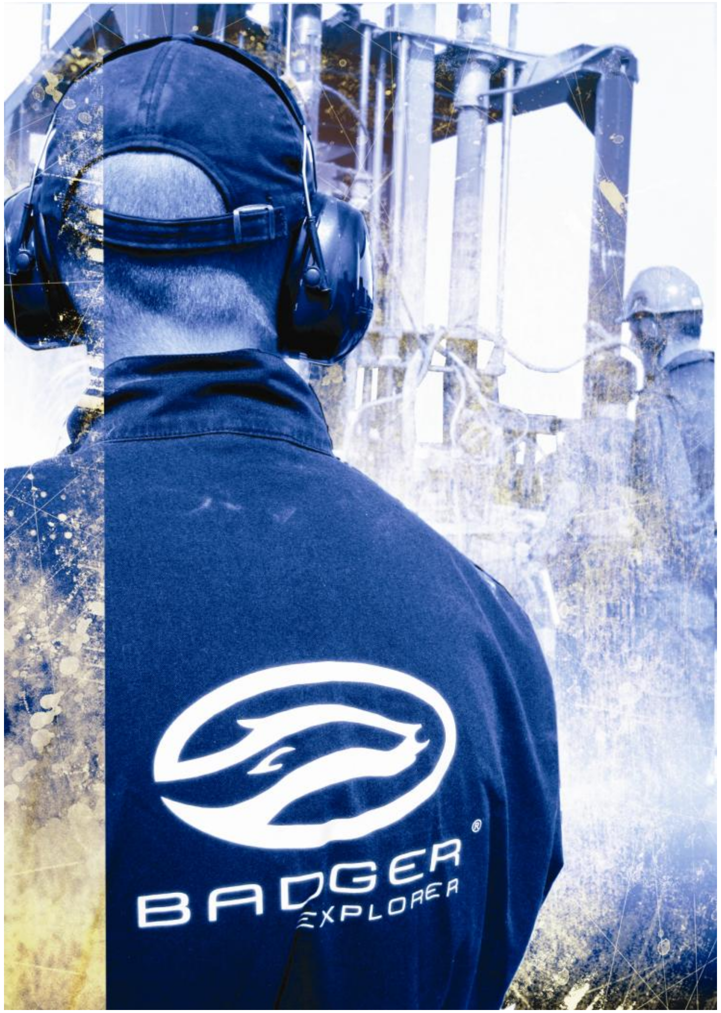
Step one:

- Drilling test in a clay formation
  - Test site has been chosen in the Stavanger area
  - Jig based drilling test has been completed
    - Inspiring results
  - Performance of drilling and compaction test to take place in the near future

Step two:

- Deeper closed cavity drilling test at Brumunddal test site to commence immediately after completion of step one

Milestone 3 to be completed by 1H 2011



Preparing for the pre-commercial phase

- Negotiate to secure more sponsor and public funding support
- Agree upon further 125 Demonstrator program
- Develop and build higher specification versions of tool
- Develop higher reliability, test in a wider range of formations and achieve greater depths
- Perform pilot tests together with client partners

Market mapping, Badger Explorer applications and customer approach

- Badger Explorer applications study is being performed
- Purpose of study:
  - Map and specify markets for Badger Explorer applications
  - Identify pilot project areas
  - Identify possible future customers

Quantify the market for Badger Explorer applications

Financials

Acquistion of additional 25% stake of Calidus on 15 April 2011

- Cash position remains strong
- Increasing number of customers besides BXPL
- Less Badger Explorer related business volume because of tool testing

MNOK	2010	2009
Gross turnover	15.8	16.9
BXPL turnover	4.3	7.9
Net result	3.2	3.4
Equity ratio	88.6%	91.5%

MNOK	31.12.2010	31.12.2009
Cash position	98.5	141.0
Equity	182.1	200.5
Equity ratio	87.4%	91.1%

867 shareholders as of 31.03.2011

- Compared to 861 shareholders as of 22.02.2011
- 20 largest shareholders hold 70.9%

Inventor, founders, management and employees

- Primary insiders hold 5.6% (1.04 million shares) as of 27.04.2011
- 63.4% Norwegian shareholders
- Employee share option program (September 2009) consisting of 407.250 allocated share options

Completion of Milestone 3 during 1H 2011

- Finalize step one - clay/shale formation test
- Execute step two – complete burial of tool in open hole at Brumunddal test site

Plans regarding pre-commercial phase

- Additional sponsor funding and support
- Strengthening the BXPL organization
- Technical development plans
  - Pre- commercial phase: Badger Explorer 125 Demonstrator programme
- Market mapping, Badger Explorer applications and customer approach

Meeting and negotiations with the current sponsors to agree upon further program and secure sponsor and public support

Further build operational capabilities

BADGER EXPLORER ASA

Rig-less Exploration - A **Game Changer**

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Income Statement – BXPL Group as of 31 December 2010

	Note	2010	2009
REVENUES			
Other Income		12 056 296	8 977 649
Public grants	2	1 805 110	1 977 003
Capitalised public grants	9	-1 805 110	-1 977 003
Total revenues		12 056 296	8 977 649
OPERATING EXPENSES			
Cost of goods sold		3 166 091	2 639 408
External services for dev. project		16 888 875	20 766 818
Payroll and related costs	6	26 582 838	19 915 191
Depreciation	7	988 748	1 147 596
Other operating expenses		10 946 717	11 902 275
Capitalised development cost	9	-26 950 197	-30 561 242
Total operating expenses		31 623 072	25 810 046
Operating profit (loss)		-19 566 776	-16 832 397
Financial income	3	1 504 740	6 186 850
Financial expenses	3	1 017 650	277 886
Net financial items		487 090	5 908 964
Profit (loss) before taxes		-19 079 686	-10 923 433
Tax on ordinary result	4	-417 669	-235 007
Net profit (loss)		-19 497 354	-11 158 439
Profit (loss) attributable to non-controlling interest		1 407 660	1 572 054
Profit (loss) attributable to equity holders of the parent	5	-20 905 015	-12 730 493
Earnings per share	5	-1,13	-0,69
Earnings per share diluted	5	-1,13	-0,69

Statement of Financial Position –BXPL Group as of 30 December 2010

ASSETS	Note	2010	2009
NON-CURRENT ASSETS			
Capitalised development costs	9	89 155 567	64 010 480
Patent rights	9	386 668	386 668
Goodwill	9	5 640 192	5 709 840
Total intangible assets		95 182 428	70 106 987
Property, plant & equipment	7	3 641 798	3 333 191
Total tangible assets		3 641 798	3 333 191
Investment in shares in liquidity fund	15	52 615 534	0
Total financial assets		52 615 534	0
TOTAL NON-CURRENT ASSETS		151 439 759	73 440 178
CURRENT ASSETS			
Inventories	8	4 213 277	854 407
Accounts receivables	10,15	3 958 992	1 520 288
Other receivables	10,15	2 904 671	3 114 620
Total receivables		6 863 663	4 634 908
Bank bonds	15	0	33 781 615
Total current financial assets		0	33 781 615
Cash and cash equivalents	11	45 887 783	107 315 911
TOTAL CURRENT ASSETS		56 964 722	146 586 841
TOTAL ASSETS		208 404 482	220 027 019

EQUITY AND LIABILITIES	Note	2010	2009
EQUITY			
Share capital	12	2 304 880	2 304 880
Share premium fund		217 099 786	217 099 786
Other paid in capital		2 285 528	945 870
Total paid in equity		221 690 194	220 350 536
Foreign currency translation reserve		-2 598 005	-2 306 218
Retained earnings		-43 097 875	-22 192 860
Total equity attributable to equity holders of parent		-45 695 880	-24 499 078
Non-controlling interests	17	6 092 609	4 684 949
TOTAL EQUITY		182 086 924	200 536 407
LIABILITIES			
Capitalised grants	14	17 935 200	13 855 200
Other long term liabilities		79 832	0
Total long term liabilities		18 015 032	13 855 200
Accounts payable	13	3 392 785	3 375 906
Public duties payables		2 603 939	222 432
Taxes payable	4	412 594	202 181
Other short term liabilities		1 893 208	1 834 893
Total short term liabilities		8 302 526	5 635 412
TOTAL LIABILITIES		26 317 558	19 490 612
TOTAL EQUITY AND LIABILITIES		208 404 482	220 027 019

BXPL's **20 Largest Shareholders** as of 18.4.2011

Holding	Percentage	Name
3,200,780	17.29	CONVEXA CAPITAL IV A
2,699,997	14.58	STATE STREET BANK AN A/C CLIENT OMNIBUS F
922,224	4.98	GOLDMAN SACHS INT. - SECURITY SEPARATION
800,000	4.32	ODIN OFFSHORE
738,021	3.99	BANK OF NEW YORK MEL S/A INVESCO PERP EUR
603,234	3.26	HOLBERG NORDEN V/HOLBERG FONDSFORVA
527,903	2.85	IRIS-FORSKNINGSINVES
525,837	2.84	SIX SIS AG 25PCT
465,407	2.51	AHLQVIST INVEST AS
358,787	1.94	BANK OF NEW YORK MEL NON-TREATY
301,872	1.63	DALVIN RÅDGIVNING AS
248,800	1.34	ANØY INVEST DA
242,600	1.31	ÅM KNUT
236,866	1.28	HOLBERG NORGE V/HOLBERG FONDSFORVA
222,600	1.20	DREVDAL KJELL ERIK
214,000	1.16	CSV II AS
213,200	1.15	MP PENSJON PK
209,222	1.13	NILSHOLMEN INVESTERI JPMBLSA RE NILSHOLME
200,000	1.08	THE NORTHERN TRUST C TREATY ACCOUNT
199,440	1.08	STOKKA SIGMUND
13,130,790	**70.92**	

Industry Statement

"We consider the Badger Explorer to be a potential "Game Changer" in exploring for hydrocarbons.

If research efforts and commercial implementation are successful, the Badger Explorer should help increase the success rate for discovery of oil and gas resources while reducing the environmental impact of the exploration process."

Statement from industry partners 2005

ExxonMobil Statoil