

BOARD OF DIRECTORS' REPORT FOR 2014

Badger Explorer ASA (BXPL) continues to develop the “Badger Explorer”, a revolutionary technology for exploration and verification of hydrocarbon prospects, without the risks, cost and complexity of conventional drilling operations. The Badger Explorer tool acquires exploration data as it drills, and once installed at its target depth, the tool can continue to monitor subsurface parameters to enhance development and production activities.

The Badger Explorer idea originated at IRIS in 1999. The Company was established in 2003 and listed on the Oslo Stock Exchange (Oslo Axess list) in 2007.

Badger Explorer ASA's head office is located at Forussskogen 1, 4065 Stavanger, Norway and is organized under the laws of Norway.

Significant events during 2014

The main task during 2014 has been to complete and deliver the Badger Explorer Demonstrator Program (BDP). The final drilling tests were successfully completed late December 2014.

In August 2014, a comprehensive co-operation agreement was signed with China National Petroleum Corporation-Drilling Research (CNPC DR) Institute. CNPC DR became the fifth full member of the Badger Demonstrator Program. CNPC DR also expressed their willingness to participate in the long term Badger development programs.

The third significant task through 2014 has been to prepare for the next phase, The Badger Development Program 2015 - 2017, which will lead to commercially viable Badger technologies. This task has been addressed in close co-operation with the five sponsoring oil companies.

Technical progress Badger Demonstrator Program 2012-2014

Milestone 4 was delivered and approved in January 2014. Milestone 5 was the final practical test in BDP. The final milestone, Milestone 6, contained an evaluation of the BDP and a definition of the Scope of Work for the next phase of the development, the Badger Explorer Development Program.

All the main goals of Milestone 5 have been achieved including a full system test of the tool. Modifications and adjustments were implemented where necessary. After the system test, the tool was installed in a custom built test setup to allow horizontal drilling and compaction. The tool drilled through a set of formations and used drilled cuttings to compact a plug into the same hole.

As expected, the cuttings transport system in the tool caused challenges. The current system is based on pumps and requires fluid to operate. The amount of fluid required to feed the cuttings from the bit and into the first pump stage was higher than expected, and this caused problems for the compaction process. To mitigate this, the drilling and compaction part of the test was performed in two stages, and some fluid was removed from the cuttings mix before entering the compaction system. When the transport system was fed from an external pump, it performed well and in line with the results from earlier tests.

As previously reported, BXPL has together with an external supplier developed a new transport system which will be installed in future versions of the Badger tool.

Core samples collected from the compacted plug are currently being analysed to verify the plug parameters.

Milestone 5 has given Badger Explorer valuable information about the tool performance. Combined with information from previous testing, this provides a solid foundation for the next phase.

All the BXPL design, manufacturing and testing procedures are based on DNV Recommended Practice DNV-RP-A203.

The final Milestone, Milestone 6, was completed during January 2015. The Steering Committee of the BDP approved Milestones 5 and 6 during the Steering Committee meeting on 5th February 2015.

With the Demonstrator Program approved and concluded, the remaining sponsor funding of NOK 7.965 million (incl. VAT) will be released.

Innovasjon Norge AS funding of 2 million was released in Q4 2014 and NOK 1.673 million funding from the Research Council of Norway (RCN) was released in February 2015.

Progress has been achieved on the longer-term Badger Process Systems designs that are required for Field Pilots/Field Tests and commercial Badger tools. In connection with these research and development activities, the RCN awarded BXPL a grant of NOK 13.2 million over three years (2014 - 2016) for the HPHT (High Pressure High Temperature) ultrasonic project, which aims to develop a HPHT ultrasonic transducer for various Badger applications. Year 2014 was the start-up year of the ultrasonic program. The total costs amount to NOK 6.003 million as of 31st December 2014, of which 50% were covered by grants from the RCN.

In addition, BXPL has applied for a patent regarding the purpose-built, self-cleaning drill bit used in the Badger Explorer tool.

The Badger Explorer Development Program 2015 - 2017

BXPL has, in close co-operation with our partners, drawn up a proposed contract for the Badger Explorer Development Program, including the Scope of Work. The main milestones of the Program has also been identified and included.

The purpose of the Development Program is to deliver robust, commercially viable technologies for a defined range of operations with the Badger Explorer concept. This incorporates all information and feedback from the Demonstrator Program including the work from the ongoing R&D activities.

The drilling module will be optimized to handle completely dry drill cuttings and the self-cleaning bit will be further refined, potentially utilizing ultrasonic technology, to enhance the drilling operation and to improve the control of the particle size distribution.

The cuttings transport system has over the last year been further developed in a separate R&D project, and will now be an integrated part of the Program. The aim is to develop a transport system that can handle completely dry cutting.

The current tool locomotion has limited depth capabilities. A major part of the Development Program will be to develop a capability of bringing the tool to a total depth of 2000 meters.

Compaction and plug integrity is another main topic in the Development Program. The compaction efficiency and plug characteristics are dependent on the particle size and their distribution in the cuttings. BXPL has executed promising experiments utilizing ultrasonic technology to improve the compaction efficiency by altering the cuttings particle size distribution. The continuation of this work will be incorporated in the Program. Furthermore, the plug integrity issue will be addressed and the effectiveness of the plug will be verified by a third party testing.

Financial management

To secure funding from partners for the Badger development program has been an important task for the past two years. All new partners have agreed to pay an up-front fee equal to the contribution the two original partners submitted to the Prototype Program. Hence, all five sponsors have as per today paid the same amount in funding support to BXPL.

After delivering and concluding the BDP in February 2015, all remaining funding related to the program has been released by both oil companies and various public grants bodies.

CNPC DR and BXPL signed a comprehensive co-operation agreement in August 2014 covering long term development activities. CNPC is the world's largest oil operating company having ample resources and more than 1.6 million employees. The Drilling Research unit has 1.600 employees, and, in addition to the financial support, BXPL expects comprehensive assistance and support regarding technical development.

BXPL has opened a bank overdraft facility of NOK 7.5 million to provide flexibility to be able to handle short-term fluctuations in cash flow. There has been minor usage of the overdraft facility during 2014. Stringent cash management and cost saving schemes have been a priority throughout the financial year.

Research and development

During 2014, the Company spent NOK 27.900 million (NOK 34.791 million in 2013) on research and development related to the BDP and longer-term work related to the Badger Process Systems.

Presentation of 2014 accounts

Accounting policies

The financial statements of BXPL have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU on 31st December 2014.

Operating revenues

Total revenues from continuing operations for BXPL were NOK 0,00 in 2014, compared to NOK 70,268 in 2013.

Operating expenses

Total operating expenses from continuing operations for BXPL were NOK 21.414 million in 2014, compared to NOK 19.556 million the previous year, which is an increase of 9.5%. Operating expenses increased primarily due to increased payroll costs and higher other operating costs for the Badger Explorer development project.

Development costs

All development costs incurred during 2014 and 2013 were related to the development of the Badger Explorer technology in BXPL. In 2014, BXPL spent NOK 27.900 million on development projects, of which NOK 24.107 million were capitalized, compared to NOK 34.791 million, of which NOK 31.523 million were capitalized in 2013. The public grants from the RCN and pledged tax deduction from Skattefunn amounted to NOK 14.675 million for 2014 and NOK 22.375 million for 2013. The public grants were deducted from the carrying amount of the capitalized development costs.

Net financial items

Net financial items for BXPL amounted to NOK -1.951 million for 2014, compared to NOK 15,509 for 2013. Net financial loss decrease was primarily attributable to divestiture of shares in SST.

In June 2013, BXPL divested 70% of its interest in Severn Subsea Technologies Ltd. (SST). On 15th December 2014, Severn Glocon Group acquired another 15 % of the shares. Loss arising from the partial disposal of investment in the associate was recognised in the income statement.

Performance

Net loss attributable to equity holders of the Company was NOK -23.365 million for 2014, compared to NOK -23.868 million for 2013. Loss before tax from continuing operations for BXPL for 2014 amounted to NOK -23.365 million, compared to NOK -19.470 million for 2013. Ordinary earnings per share from continuing operations of BXPL amounted to NOK -1.26 in 2014 (NOK -1.29 in 2013).

Statement of financial position and cash flow

All figures in NOK million at Year End	Badger Explorer ASA	
	2014	2013
Total Assets ¹	150.6	166.3
Total Equity	78.9	101.6
Equity Ratio	52.4%	61.1%
Total Intangible Assets ²	140.6	131.2
Total investments in associate ³	0	2.7
Share Capital ⁴	2.3	2.3
Total Liabilities ⁵	71.7	64.7
Net Cash Flow from continuing operations ⁶	-20.6	7.5
Net Cash Position ⁷	4.4	24.9

1. Total assets in BXPL decreased due to the divestiture of shares in SST, cash balance outflows for operating activities and cash inflows from financing activities.
2. The increase in total intangible assets is mainly related to capitalized costs for the Badger Explorer development project.
3. The investment in SST was initially recognised at fair value at the effective date of the sale from 100% to 15% of the shares. BXPL's fair value assessment of the investment in the shares was set to zero at year end 2014.
4. Total of 18,537,288 outstanding shares at a nominal value of NOK 0.125 per share.
5. Capitalized partner capital contributions (total of NOK 66.520 million) are recognised as long-term liabilities, which will be repaid by paying 5% royalty of all technology related sales in the future.
6. The net cash flow attributable to the operating, investing and financing activities from continuing operations in BXPL was negative in 2014, compared to 2013 primarily due to decreased contributions from industry partners and decreased public grants from RCN. Additionally, the negative cash flow resulted from loss on sale of shares in the associate.
7. Total funding received from industry partners in 2014 was NOK 12.600 million, compared to NOK 29.920 million in 2013.

Deferred tax assets are not recognised in the statement of financial position as BXPL is in a development phase and is currently generating losses.

Allocation of the 2014 result

BXPL's annual result amounted to a loss of NOK -23.365 million. The Company has no distributable equity. The Board of Directors proposes that the loss is transferred to retained earnings.

Risk management

Risk management is a critical success factor for BXPL. The Board focuses on risk management and deems it important that the Company maintains the necessary measures to manage controllable risk factors in order to keep these within acceptable limits.

BXPL is exposed to a number of financial and non-financial risks. Financially, the main risk factors are fluctuations in interest rates and exchange rates, oil price fluctuations, credit risk and liquidity risk. Non-financial risks include technology risk, competing technologies, market risks, regulatory permits and environmental exposure.

BXPL has implemented internal control and risk management systems appropriate to the size and nature of the Company's activities. The Company's core values, ethical guidelines and the corporate social responsibility policy are incorporated in the internal control and risk management systems.

The Board of Directors carries out an annual review of the control and risk management systems and the Company's most significant exposures.

Financial risks

Interest rate risk

BXPL has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates which affect the financial income and the return on cash. The Company has NOK 1.951 million in net financial loss as of 31st December 2014. Drawdowns on the credit facility are subject to interest costs and credit facility fee, gross costs through 2014 have been NOK 136,789.

Exchange rate risk

BXPL's cash reserves of NOK 4.351 million are deposited in a Norwegian bank. All the Company's financial instruments are in NOK. When commercial operations in larger scale commence, a currency exchange policy will be introduced.

Credit risk

BXPL trades only with recognised, creditworthy third parties. It is the Company's policy that all customers that wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is insignificant.

BXPL has not suffered any loss on receivables during 2014.

Liquidity risk

Liquidity risk is the risk that BXPL will not be able to meet its financial obligations as they fall due. BXPL's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to BXPL's reputation.

BXPL monitors its liquidity risk to be able to meet its financial obligations as they fall due. An assessment of such obligations is made and compared against the cash flow projection on a regular basis.

The cash position of BXPL at year end 2014 was NOK 4.351 million, compared to NOK 24.943 million in 2013. BXPL entered into a revolving credit facility with a Norwegian bank on 22nd 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 Q4 2014.

The remaining funding from the BDP, tax deduction from Skattefunn 2014, remaining grants payable from the RCN and Badger Development partner funding, if committed, is considered sufficient cash to carry the business into 2016. Contingencies for 2015 include an overdraft facility with the BXPL's bank, public grants and partner funding. As of 25 March 2015, the signatures from the partners on the Badger Development Program are pending.

BXPL has announced a next phase program - the Badger Development Program. The three-year program is planned to commence in early 2015. The Badger Development Program has a total budget of NOK 180 million. The financing plan includes two partners joining during 2015, the third partner joining in 2016 and the fourth in 2017. Once the partner participation is signed, BXPL will apply to the RCN and other public grants bodies for further industry funding.

Cash spend will be carefully managed during 2015 - 2016. The Badger Development Program will be the main source of operational funding in 2015 - 2017.

At this stage in the various Badger programs, BXPL management is aware of technical and engineering challenges that may be time consuming - although not impossible - to solve. Hence, the main uncertainty will be timing. Delays in the technical development may occur which can give financial implications. The current status of BXPL's

projects does not give reason to highlight any such challenges, and should they occur, BXPL's management has several means to try and avoid delays.

Oil price fluctuations

All BXPL's partners are large international oil operating companies. The performance of BXPL's partners is closely linked to the oil price. The oil price has through the last nine months experienced a dramatic drop from a top of approx. USD 115 per barrel to USD 46 per barrel as the lowest level so far. During Q1 2015, the oil price (brent) has been trading in the range of USD 50 - 65 per barrel.

Lower oil prices might have an impact on the capability and willingness of oil companies to support technology projects. BXPL's partners are large global corporations and BXPL's management expects them to take a long term view not being impacted by short term oil price fluctuations.

Non-financial risks

Technology risk

Development work contains inherent technology risks. During the last part of the Badger Demonstrator Program, a few technical challenges were identified. They have been addressed in specific R&D projects which will later be integrated in the Badger Explorer Development Program.

There is a risk that the development of a commercial version of the Badger Explorer could be more extensive than planned and this could result in a longer development time.

In parallel with the Badger Demonstrator Program, a number of activities have been conducted to identify and reduce technology risk. The delivery and final approval of the BDP represents a major reduction of risk in the development of the Badger technology. After the launch of the Development Program, the Beta version of the Badger will be used to further identify and mitigate technology risks by better understanding the overall system and gaining valuable hands-on experience.

Competitive technology

Badger Explorer has not identified any direct competitors to its technology and future closed cavity operations. Competition could, however, appear after the BXPL technology proves successful and, hence, the timing of the market introduction of the tool will be vital for the market positioning and the profit potential of the technology. The Company's IP position is deemed adequate and the defined IP strategy includes a strengthened process to protect IP related to specific technical solutions.

Once the Badger technology has been commercialised, the emphasis will be on developing robust and reliable services and equipment, to minimize the risk of lost market share as a result of poor performance.

Market risks

BXPL considers the potential market for Badger Explorer services to be large and increasing. Third party market studies commissioned by BXPL identify specific markets by customer, geography, underground structures and Badger Explorer applications, highlighting potential customer savings in time and cost as well as other benefits. The sponsors have preferential access to the technology which will encourage early uptake.

Permission to operate from relevant regulatory bodies

When radically new concepts are introduced, regulatory bodies are likely to require stringent qualifications to assure operational safety. Such requirements may be functional (which can be addressed through demonstrating performance of the tool) or literal, which can be more of a time-consuming challenge.

Environmental risks

The Badger Explorer will have a dramatically lower environmental impact compared to a conventional exploration operation. The technology is inherently non-polluting and the general public as well as regulators and customers

can readily understand the substantial environmental benefits the technology may bring. Rather than a risk, the tool's environmental performance should be seen as a selling point.

Going concern

The Board states that the annual accounts represent a true and fair view of the Company's financial position at the turn of the year. In accordance with the Accounting Act §3-3 (a), the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. However, the Board of Directors accepts the going concern assumption to be present but the Board assesses the current liquidity situation as very tight. Payment of sign-on fee for the Development Program is required in a short period of time (June 2015) and the signatures from the partners in the Development Program are pending as of 25 March, 2015. The Board assesses the uncertainties for pending signatures and corresponding liquidity risk causing significant risk about the Company's ability to continue as a going concern.

Health, safety and the environment (HSE)

Good HSE systems and procedures are a precondition for an effective and safe working environment. The Board of Directors works continuously with the Company's management to ensure that business is conducted in a responsible manner and with respect for the employees and the environment.

BXPL has adopted the Norwegian "inkluderende arbeidsliv" (equal opportunity rights) scheme, incorporating procedures for an active follow-up on employees' sick leave and cooperating with the Company's health service. During 2014, absence due to sickness in BXPL was at 2.5% (86 days), compared to 1.5% (35 days) in 2013. No injuries or accidents have been reported in 2014. Increased test operations exposed staff to potential risks and more hazardous environments. Recognizing this, pro-active measures and other industry best practice have been implemented, to increase awareness and minimize the probability of accidents or injuries. Continued emphasis and awareness of issues related to health, safety and the environment will ensure that BXPL's systems and processes grow alongside the technical and commercial development.

Personnel and organization

BXPL is committed to equal opportunity and non-discrimination. At year-end 2014, BXPL had 9 permanent employees, compared to 13 in 2013. Several functions previously held by employees have been contracted out during 2014.

Male employees are in majority in the Company. BXPL had three female employees in 2014, compared to four in 2013. In 2014, salaries for male employees averaged NOK 1.075 million (compared to NOK 1.055 million in 2013) and for female employees NOK 643,178 (compared to NOK 604,190 in 2013).

Both in 2014 and 2013, 31% of BXPL's employees were of foreign nationality. All members of BXPL's Executive Management were of Norwegian nationality in 2014 (17% in 2013).

The Company is dependent upon engaging the best competence available. Competence is sourced without preference for gender, race, religion, political- or sexual inclination.

External environment

The Board takes responsibility for the Group's impact on the environment. It is the responsibility of the Company's Management to meet the set environmental goals and to comply with legislation and regulations.

One of the major benefits of the Badger Explorer, whether in initial field deployments or as part of the exploration and de-risking of a major new deep-water project, will be the reduced environmental impact and HSE exposure, compared to a drilling rig and associated support. From an environmental perspective, significantly less equipment, traffic and support activities will be required for a Badger deployment. During operation, the tool can be run un-manned which eliminates a whole range of safety exposures.

Corporate Social Responsibility (CSR)

BXPL is committed to enhancing shareholder value in an ethical and socially responsible manner. By implementing the CSR Policy and Ethical Guidelines, the Company aims at taking responsibility and to set an example of good practice. The Board of Directors reviews the policy and the guidelines yearly and adopted the latest versions of the CSR Policy and the Ethical Guidelines on 11th February 2015. These guidelines are available on the Company's website (www.bxpl.com). The documents apply to staff, Board members, temporary employees, consultants and any person or entity acting on behalf of BXPL.

Corruption diminishes legitimate business activities, destroys reputation and distorts competition. BXPL opposes all forms of corruption and will act to prevent corruption within the Company. The set of ethical guidelines adopted by the Board clearly states the standards of behaviour expected by all BXPL employees. Bribery, trading in influence, facilitation payments and all form of corruption are prohibited. BXPL promotes its policy on corruption amongst its business partners, contractors and suppliers.

- Bribery is defined as an attempt to influence individuals when performing their duties through offering improper advantages.
- Trading in influence exists when an improper advantage (cash, loans, travel, services or similar) is offered to an individual to influence the performance third party duties.
- A facilitation payment is a payment to a public official to enable or speed up a process, which is the official's job to arrange.

BXPL complies with all applicable national and international laws and regulations (for example, the OECD Guidelines for Multinational Enterprises and the International Chamber of Commerce Rules of Conduct to Combat Extortion and Bribery) with respect to improper payments to foreign officials.

BXPL is also committed to providing a safe, secure and healthy working environment. BXPL's overriding goal is to operate safely, in environmentally and socially responsible ways, and thereby:

- Do no harm to people
- Protect the environment
- Comply with all applicable HSE laws and regulations.

The Company believes that accidents and occupational illnesses and injuries are preventable, and hence applies efforts and resources to achieve the goals listed above. BXPL is proud of its good HSE statistics. During 2014, BXPL did a lot of testing and hands-on development work, without recording any injuries or accidents.

The responsibility for the HSE performance is shared by the Company's management and its employees. Supervisors are responsible for ensuring that appropriate preventive and mitigating measures are practical, available and used in practice. Employees are responsible for using such measures and equipment, and for identifying areas of improvement. BXPL operated facilities and equipment must operate with the necessary permits, approvals and controls to protect health, safety, security and the environment.

The Company provides ongoing training to ensure that BXPL's commitment to excellence in HSE management is reflected throughout the Company. Health, safety and environmental performance are key factors in evaluating and rewarding our employees as well as when selecting contractors.

BXPL does not tolerate any kind of discrimination of employees, customers and partners on account of religion, gender, sexual orientation, age, nationality, political views, disability or other circumstances. We will not tolerate unlawful employment discrimination of any kind. The Company expects all of its employees to treat others they come in contact with through work with respect and courtesy, and to refrain from harassment, discrimination and any other behaviour that may be regarded threatening or degrading. Honesty, integrity and respect for people underpin everything BXPL staff does, and are the foundation of the Company's business practice.

BXPL aims to reduce the Company's carbon footprint and its impact on the environment through the commitment to continual improvement. The Company strives to keep the pollution of the external environment as low as

possible by its current activities. A number of specific policies and practices have been established to minimize the Company's environmental impact through routine business activities

- An oil separator has been installed in the workshop to eliminate contamination through spillage. No spillage has occurred during 2014.
- Environmentally friendly workshop chemicals are chosen by preference.
- Waste is separated at source and disposed of appropriately.
- Active recycling is practiced in use of test equipment and fixtures, to avoid the unnecessary re-purchase of items that have been discarded.
- Active energy-saving is practiced in terms of heat and lighting in the workshop.

Corporate Governance

Corporate Governance is performed within the framework of the Norwegian Code of Practice for Corporate Governance dated 30th October 2014 (www.nues.no). The Board reviews the Corporate Governance Policy annually and approved the latest version on 11th February 2015 which can also be found on the Company's website (www.bxpl.com) and is included in this Annual Report.

As required for a public limited company listed on the Oslo Stock Exchange (Oslo Axess List) BXPL provides its shareholders, the Oslo Stock Exchange and the financial market with timely and accurate information. Such information takes the form of annual reports, quarterly interim reports, stock exchange notifications and investor presentations as applicable.

BXPL communicates its long-term potential, strategy, value drivers and risk factors. The Company maintains an open and proactive investor relations policy and a best-practice website and presents regularly in connection with annual and interim results both in Norway and in the UK. Sound corporate governance underpins growth to benefit shareholders, employees and other stakeholders. The Board strives continuously to build confidence in the Company through the implementation of corporate governance-, accounting- and Oslo Stock Exchange standards. The Board of Directors emphasizes transparency and openness, equal treatment of all shareholders, competence in the Company's governing bodies, independence of auditors and accuracy of information distributed by the Company reflecting its status and operations.

Board of Directors of Badger Explorer ASA

The composition of the Board of Directors and the Board members' competences and expertise are chosen to support the Company's goals. BXPL's Board consists of five members, three male and two female. At the AGM on 5th May 2014, Ms. Birte Borrevik and Mr. Bjørge Gretland were elected as members of the Board of Directors.

The Board of Directors held 6 ordinary Board meetings and 3 extraordinary Board meeting during the fiscal year 2014.

The Board's Audit Committee consists of Chairman Mr. Marcus Hansson and Board member Ms. Tone Kvåle. The Board conducts an annual evaluation of its work.

Changes after 31st December 2014

On 5th February 2015, the Steering Committee formally approved the delivery of Milestones 5 and 6 of the BDP and formally closed the Program. The remaining partner funding was invoiced the following day.

Outlook

The delivery of Milestones 5 and 6 and the conclusion of the Demonstrator Program represent a major reduction in the technical risk related to the development of the Badger Explorer technology.

The main focus for the BXPL organization in 2015 will be to secure participation from current and possibly new partners and start the execution of the Development Program.

The vision of commercializing the Badger tool, whereby the environmental impact of drilling is reduced, remains stronger than ever.

The Board of Directors wish to extend their gratitude to the entire BXPL staff for the considerable technical progress and achievements made in advancing the Badger tool throughout 2014.

Stavanger, 25th March 2015

The Board of Directors and the Chief Executive Officer of Badger Explorer ASA



Marcus Hansson
(Chairman of the Board)



Birte Noer Borrevik
(Board member)



Bjørge Gretland
(Board member)



Tone Kvåle
(Board member)



David Ottesen
(Board member)



Steinar Bakke
(President & CEO)

Responsibility statement

We confirm, to the best of our knowledge that the financial statements for the period 1st January to 31st December 2014 have been prepared in accordance with IFRS as adopted by the European Union and generally accepted accounting practice in Norway, and give a true and fair view of the assets, liabilities and financial position and result of Badger Explorer ASA.

We also confirm, to the best of our knowledge that the Board of Directors' report includes a true and fair overview of the development, performance and financial position of Badger Explorer ASA, together with a description of the principal risks and uncertainties they face.

Stavanger, 25th March 2015

The Board of Directors and the Chief Executive Officer of Badger Explorer ASA



Marcus Hansson
(Chairman of the Board)



Birte Nøer Borrevik
(Board member)



Bjørge Gretland
(Board member)



Tone Kvåle
(Board member)



David Ottesen
(Board member)



Steinar Bakke
(President & CEO)