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### **Badger Explorer ASA – Contemplated private placement**

Stavanger, 5 December 2016

Badger Explorer ASA (the "Company") has retained ABG Sundal Collier ASA (the "Manager") to advise on and effect an undocumented private placement of up to NOK 40 – 45 million in new shares in the Company directed towards existing shareholders and potential new Norwegian and international investors (the "Private Placement"). The subscription price in the Private Placement is NOK 0.125 per share.

The Private Placement will be used to fund the Company's ongoing Development Program as well as for general corporate purposes.

The Company received significant indications of interest to pre-apply for Offer Shares from certain large existing shareholders, members of the Board of Directors and management, as well as new investors. The received pre-applications is in an aggregate amount of approx. NOK 40 million. Such interest was essential for the Company being able to launch the Private Placement. Thus, applicants who have pre-applied for Offer Shares prior to launch of the Private Placement will, subject to completion of the Private Placement, receive preferred allocation on their applications.

The application period for the Private Placement will commence today, 5 December at 16:30 CET and close tomorrow on 6 December 2016 at 08:00 CET. The Company may at its own discretion extend or shorten the Application Period at any time and for any reason. The minimum order in the Private Placement has been set to the number of shares that equals an aggregate purchase price of the NOK equivalent of EUR 100,000. The Company may, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant the Norwegian Securities Trading Act and ancillary regulations are available.

The allocation of New Shares in the Private Placement will be made at the discretion of the Company's Board of Directors in consultation with the Manager, on or about 6 December 2016, subject to any shortening or extension of the application period.

The completion of the Private Placement is subject to the approval by an Extraordinary General Meeting (the "EGM") to be called for shortly after the completion of the Private Placement.

As a consequence of the private placement structure, the shareholders' preferential rights will be deviated from. Following a full assessment of the Company's financial condition, the need for new investors, preferred timing of the equity issue and the proposed subscription price, trading price of the shares and the Company's book values, the Board of Directors has decided that it is in the Company's and shareholders' interest to deviate from the shareholders preferential right to subscribe for shares and carry out the Private Placement.

The Board of Directors intends to propose to the EGM to carry out a subsequent offering of new shares equivalent to gross proceeds of up to up approximately NOK 10 million (the "Subsequent Offering") directed towards shareholders in the Company as of close of trading today, 5 December 2016, as registered in the VPS on 7 December 2016 (the "Record Date") who were not allocated shares or offered to apply for shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or would (in a jurisdiction other than Norway) require any prospectus filing, registration or similar action ("Eligible Shareholders"). Eligible Shareholders will receive non-transferable subscription rights based on their shareholding as of the Record Date. The subscription rights will give Eligible Shareholders a preferential right to subscribe

for and be allocated shares in the Subsequent Offering. The subscription price in the Subsequent Offering will be equal to the subscription price in the Private Placement.

For further information, please contact:

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The distribution of this release may in certain jurisdictions be restricted by law. Persons into whose possession this release comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Manager is acting for the Company and no one else in connection with the Private Placement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Private Placement and/or any other matter referred to in this release.

Forward-looking statements: This release and any materials distributed in connection with this release may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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