

Q2 - 2016 IR Report



Roald Valen - CEO
Gunnar Dolven - CFO

8th September 2016

- This presentation includes forward-looking statements which are subject to risks and uncertainties that could cause actual results and events to differ.
- Even though the Company believes that the expectations reflected in the forward-looking statements are reasonable, BXPL cannot assure that the presented predictions will be achieved. It has to be taken into account that certain risks and uncertainties that are tied to the presented forward-looking statements, such as political, economical, financial and legal changes in the markets BXPL operates in, are beyond the Company's ability to control or predict. Therefore readers should not place undue reliance on the forward-looking statements.
- BXPL does not intend and does not assume the obligation to update any of the presented forward-looking statements in light of new information except to the extent required by applicable law and/or regulation.

- Highlights from Q2 2016
- Development Program
- Partners
 - Statoil
 - CNPC
- Industrial Partners
- Financials
- Outlook



BXPL have identified four main processes critical for an operational Badger tool :

1. Compaction and plug integrity
2. Locomotion
3. Drilling
4. Cuttings transport

The Development Program Scope of Work describes plans and methods for researching, developing, and qualifying, the required process solutions. The program calls for work on several parallel tracks for each main challenge in order to reduce development risk.



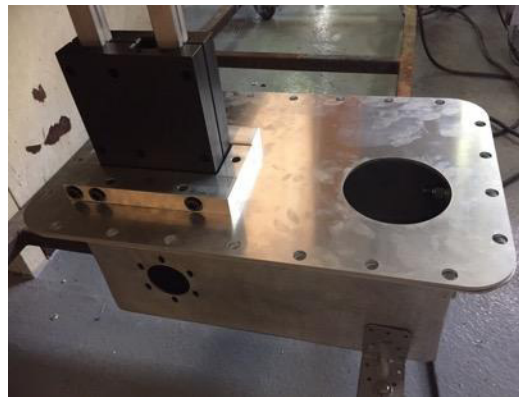
All deliverables in Milestone 1 have successfully been delivered.

Deliverable:	Schedule:	Payment:
Cuttings transport system Stage 2 and 3 complete	Complete	2,5 MNOK
Cuttings transport system Stage 1 complete	Complete	2,5 MNOK
Ultrasonic transducers qualified	Complete	1,25 MNOK
Feasibility study locomotion system complete	Complete	1,25 MNOK

A main challenge in the Badger Explorer tool is the cuttings transport system.

Based on the work performed at Honeybee Robotics in 2015 Badger Explorer have designed and built a new prototype.

The system operated successfully for several hundreds of hours and this concluded Milestone 1 in the Development Program



- Highlights from Q4 2015
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Development Program

- Program is split into smaller, parallel projects with smaller budgets (Part 1, Part 2, etc.)
- Joint Industry Projects (JIP) with partners outside the Badger Explorer project will ensure progress and lower budget
- Actively seek cooperation with oil service companies

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Negotiations about technical deliverables and funding is ongoing. BXPL is experiencing longer lead times on negotiations in current business climate.

On the 8th April Statoil signed a Letter of Intent where they confirm their intent to support BXPL's Development Program in 2016.

Development Program Milestone 2 outline

- Compaction experiments at University of Glasgow, supported by Petromaks2
- Development of drilling system



Negotiations are still on-going, but progress is unpredictable.

In addition to challenging business climate in O&G industry, the political situation between Norway and China is delaying progress.

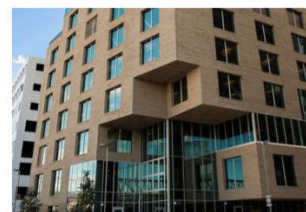
BXPL have been invited to present our cooperation with CNPC DR for the Norwegian-Chinese Chamber of Commerce (NCCC) Tuesday 13th September.



NCCC MEMBERS' MEETING
SEPTEMBER 13th 2016



The mission of the Norwegian-Chinese Chamber of Commerce is to provide a professional and social forum for those wishing to participate in the Norwegian-Chinese business and cultural communities, thus promoting business opportunities between the two countries. Our aim is to become the preferred forum for Norwegian-Chinese business participants in Norway.



NCCC Members' Meeting

Date: Tuesday, 13. September 2016
Time: 16.30 – 18.30
Venue: DNB – Headquarter at Bjørvika
Lille Auditoriet
Address: Dronning Eufemiasgate 30,
Bjørvika, Oslo
RSVP: By 12.Sep.2016 to: post@nccc.no
For Membership: E-mail to: members@nccc.no

SUSTAINABLE INNOVATION IN GLOBAL OFFSHORE INDUSTRY

PROGRAM

- 16.30 – 17.00 **REGISTRATION** and Mingling with "finger food" and refreshments
- 17.00 – 17.05 **WELCOME**
Mr. Eivind Bryne, CEO of Norwegian Chinese Chamber of Commerce (NCCC)
- 17.05 – 17.15 **DNB Shanghai Branch – 10 Year Anniversary**
Welcome by host *Mr. Espen Lund*, Senior Vice President at DNB
- 17.15 - 17.30 **OPENING SPEECH**
Ministry of Trade, Industry and Fisheries (Keynote Speaker to be announced)
- 17.30 - 17.50 **A SUCCESSFUL CO-OPERATION BETWEEN NORWAY AND CHINA**
Within Innovative Offshore Technology
Mr. Roald Valen, CEO of Badger Explorer ASA & *Mr. Steinar Bakke*, Senior Advisor
- 17.50 - 18.10 **SIFT SHIP – SUSTAINABLE FISH FARMING**
Dr. Philos Victor Øiestad, Senior scientist at Akvaplan-niva in Spain
Professor Torbjørn Trondsen, Professor in fishery science at University of Tromsø
- 18.10 - 18.20 **SEAWORK ASIA COMMERCIAL MARINE AND WORKBOAT Exhibition - Shanghai**
Ms. Elise Chen, Chairman of the NCCC Board of Directors
- 18.20 - 18.30 **Q & A**

WELCOME & Sign up for the 13th of Sep. 2016
by 12th Sep.2016 to post@nccc.no

Best regards,
The board of NCCC
www.nccc.no

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- **Industrial Partners**
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BXPL has entered partnership dialogues with several international oilfield service companies

- Accelerating technical advancement of the tool and contributing to a successful market introduction
- Partnerships will allow technologies to be spun-off for alternative applications.
- Main focus will remain the Development Program, but BXPL will make an effort to unlock the potential in technologies currently developed and pipelined for development

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	Quarters				Year to date		Year End
Unaudited figures in NOK 1000	Q2 2016	Q1 2016	Q2 2015	Note	30.06.2016	30.06.2015	31.12.2015
Revenues							
Other Income	42	0	0		42	0	0
Total Revenues	42	0	0		42	0	0
Operating Expenses							
External services for development project	1 185	111	1 666		1 296	3 734	8 726
Payroll and related costs	750	1 081	1 775		1 830	5 055	9 921
Other operating expenses	1 249	1 108	2 781		2 357	5 391	8 083
Capitalized development costs	-1 872	-601	-2 706		-2 473	-6 630	-14 124
Total Operating Expenses	1 312	1 698	3 515		3 010	7 550	12 606
EBITDA	-1 270	-1 698	-3 515		-2 969	-7 550	-12 606
Depreciation	37	43	49		80	109	200
Operating profit (loss)	-1 307	-1 741	-3 565		-3 049	-7 659	-12 807
Net financial income (loss)	-129	-113	-126	3,10	-242	-227	-450
Profit (loss) before taxes	-1 436	-1 855	-3 691		-3 291	-7 886	-13 257
Tax on ordinary result	0	0	0		0	0	0
Net profit (loss)	-1 436	-1 855	-3 691		-3 291	-7 886	-13 257
Profit (loss) attributable to equity holders of the parent	-1 436	-1 855	-3 691		-3 291	-7 886	-13 257
Earnings per share	-0,08	-0,10	-0,20		-0,18	-0,43	-0,72
Earnings per share diluted	-0,08	-0,10	-0,20		-0,18	-0,42	-0,71

Unaudited figures in IOK 1000

ASSETS	30.06.2016	31.03.2016	30.06.2015	Note	31.12.2015
NON-CURRENT ASSETS					
Capitalized development costs	149 132	147 966	143 446	2,6	147 768
Patent rights	387	387	387		387
Total intangible assets	149 519	148 352	143 832		148 154
Property, plant & equipment	21	58	192		101
Total tangible assets	21	58	192		101
Investments in shares	0	0	0	3,10	0
Total investments in shares	0	0	0		0
TOTAL NON-CURRENT ASSETS	149 539	148 410	144 025		148 255
CURRENT ASSETS			0		
Accounts receivables	6	0	0	6	0
Other receivables	2 518	5 982	7 320		3 630
Total receivables	2 524	5 982	7 320		3 630
Cash and cash equivalents	287	329	857		586
TOTAL CURRENT ASSETS	2 811	6 310	8 177		4 216
TOTAL ASSETS	152 350	154 721	152 202		152 471

Unaudited figures in NOK 1000

EQUITY AND LIABILITIES	30.06.2016	31.03.2016	30.06.2015	Note	31.12.2015
EQUITY					
Share capital	2 317	2 317	2 317	3	2 317
Share premium	218 070	218 070	218 070	4	218 070
Other paid in capital	3 903	3 848	3 895	3	4 167
Total paid in equity	224 290	224 235	224 282		224 555
Retained earnings	-161 638	-160 202	-152 977		-158 347
Total retained earnings	-161 638	-160 202	-152 977		-158 347
TOTAL EQUITY	62 652	64 032	71 305		66 207
LIABILITIES					
Capitalized grants	79 500	79 000	75 000	6	75 000
Total non-current liabilities	79 500	79 000	75 000		75 000
Accounts payables	2 847	2 793	2 768	3,8	3 078
Public duties payables	180	962	32		474
Debt financial institutions	6 820	6 928	1 967	11	6 711
Other short term liabilities	351	1 005	1 129		1 001
Total current liabilities	10 198	11 688	5 896		11 264
TOTAL LIABILITIES	89 698	90 688	80 896		86 264
TOTAL EQUITY AND LIABILITIES	152 350	154 721	152 202		152 471

	Quarters				Year to date		Year end
Unaudited figures in HOK 1000	Q2 2016	Q1 2016	Q2 2015	Note	30.06.2016	30.06.2015	31.12.2015
Contribution from operations*	-1 215	-2 018	-3 444		-3 233	-7 314	-12 098
Change in accounts receivables and accounts payables	47	-284	969	3,8	-237	1 874	683
Change in other receivables and payables	-822	-19	-1 567		-841	477	-936
Net cash flow from operating activities	-1 990	-2 321	-4 042		-4 311	-4 963	-12 351
Capitalization of development cost	-1 872	-601	-2 706	2	-2 473	-6 630	-14 124
Net cash flow from investment activities	-1 872	-601	-2 706		-2 473	-6 630	-14 124
Public grants	2 057	562	1 733	1	2 619	3 405	8 060
Contribution from industry partners	2 000	2 000	2 950	6	4 000	6 890	8 390
Interest received	18	0	8		19	36	54
Interest paid	-147	-114	-134		-261	-263	-505
Proceeds from borrowings financial institution	-108	216	1 967	11	109	-1 967	6 711
Net cash flow from financing activities	3 820	2 665	6 524		6 485	8 100	22 711
Total net changes in cash flow	-42	-257	-225		-299	-3 492	-3 764
Cash and cash equivalents beginning of period	329	586	1 082		586	4 351	4 351
Cash and cash equivalents end of period	287	329	857		287	857	586
Profit (loss) attributable to equity holders of the parent	-1 436	-1 855	-3 691		-3 291	-7 886	-13 256
Employee options	55	-320	71	5	-265	236	508
Depreciation	37	43	49		80	109	200
Financial income	-18	0	-8		-19	-36	-54
Financial expenses	147	114	134		261	263	505
*Contribution from operations before tax	-1 215	-2 018	-3 444		-3 233	-7 314	-12 098

Top 20 shareholders

As of 31 March 2016

Rank	Investor	Holding	Percentage
1	DEUTSCHE BANK AG	2 829 997	15,3 %
2	TTC INVEST AS	1 350 260	7,3 %
3	INVESCO PERP EUR SMALL COMP FD	1 225 389	6,6 %
4	HOLBERG NORGE	808 135	4,4 %
5	CLEARSTREAM BANKING S.A.	734 003	4,0 %
6	SKANDINAVISKA ENSKILDA BANKEN S.A.	615 000	3,3 %
7	ARGENTUM	523 145	2,8 %
8	DALVIN RÅDGIVNING AS (DOLVEN GUNNAR)	426 872	2,3 %
9	MACAMA AS	355 514	1,9 %
10	ANØY INVEST DA	278 800	1,5 %
11	BARRA ØYSTEIN JOHANNES	277 034	1,5 %
12	ÅM KNUT	242 600	1,3 %
13	GJENSIDIGE FORSIKRING	226 472	1,2 %
14	DREVDAL KJELL ERIK	222 600	1,2 %
15	NILSHOLMEN INVESTERING AS (MARKMAN KJELL)	209 222	1,1 %
16	BAKKE STEINAR	200 473	1,1 %
17	MP PENSJON PK	172 700	0,9 %
18	ESPELID KARSTEIN JOHAN	170 000	0,9 %
19	STOKKA SIGMUND	168 693	0,9 %
20	THOMAS FEARNLEY. STIFTELSEN	150 983	0,8 %
Top 20 shareholders		11 187 892	60,4 %
Other shareholders		7 349 396	39,6 %
Total shares outstanding		18 537 288	100,0 %

Top 20 shareholders

As of 30 June 2016

Rank	Investor	Holding	Percentage
1	DEUTSCHE BANK AG	2 829 997	15,3 %
2	TTC INVEST AS	1 300 000	7,0 %
3	INVESCO PERP EUR SMALL COMP FD	1 225 389	6,6 %
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5	CLEARSTREAM BANKING S.A.	737 853	4,0 %
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10	BARRA ØYSTEIN JOHANNES	336 011	1,8 %
11	ANØY INVEST DA	278 800	1,5 %
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16	BAKKE STEINAR	200 473	1,1 %
17	MP PENSJON PK	172 700	0,9 %
18	ESPELID KARSTEIN JOHAN	170 000	0,9 %
19	STOKKA SIGMUND	168 693	0,9 %
20	ÖGMUNDSSON ANDRÉS	165 000	0,9 %
Top 20 shareholders		11 214 476	60,5 %
Other shareholders		7 322 812	39,5 %
Total shares outstanding		18 537 288	100,0 %

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The long term qualification test of the cuttings transport system represents a significant step forward for BXPL. One of the main challenges with the Badger concept has been solved, thus significantly reducing the technology risk for the commercial Badger tool.

The work to develop and qualify solutions for the rest of the challenges with the Badger concept will continue

Negotiations with existing and new oil companies sponsors are on-going.

Any questions - Thank You

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