

RESERVOIR EXPLORATION TECHNOLOGY ASA (RXT)
REPORT PER 1st QUARTER 2009
(UNAUDITED)

19 May 2009

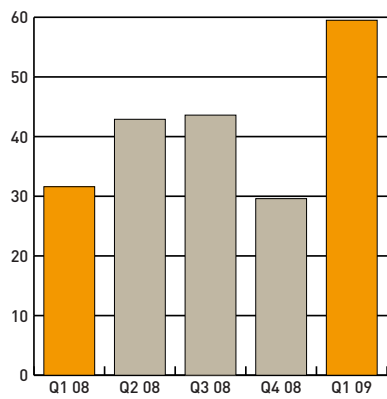


The future is on the seafloor

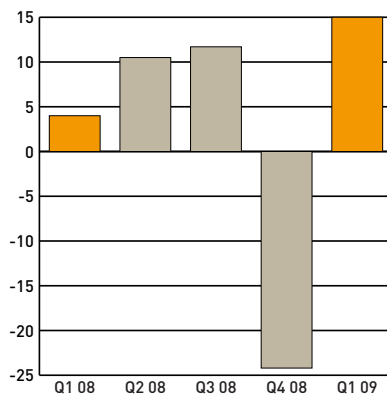




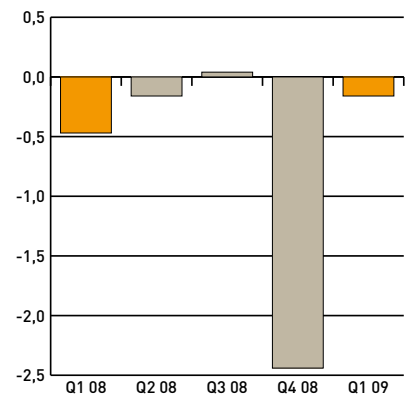
Revenue (In US\$ million)



EBITDA (In US\$ million)



Earnings per Share (In US\$)



REPORT PER 1st QUARTER 2009 (UNAUDITED)

1st QUARTER HIGHLIGHTS

- Record revenue quarter of \$59.5 million
- Cost savings program implemented, and focus on operational efficiency
- Repair share issue of NOK 5 million in February 2009
- Bondholders approve changes to loan terms in March 2009
- Private placement of approximately NOK 256 million in April 2009
- Total backlog secured as of 31 March: Approximately \$360 million

KEY FINANCIAL FIGURES

USD million (except per share data)	Q1 2009	Q4 2008	Q1 2008	2008
Revenues	59.5	29.2	31.6	147.2
EBITDA	15.0	(24.2)	4.0	1.8
Impairment charges	0.0	(16.4)	0.0	(16.4)
Operating profit/ (loss)	3.2	(59.3)	(4.2)	(61.0)
Net financial items	(11.0)	41.2	(12.5)	23.9
Net profit/ (loss)	(7.9)	(29.5)	(12.9)	(45.8)
Earnings per share	(0.16)	(1.00)	(0.47)	(1.60)

OPERATIONS

RXT had a record revenue month in March 2009 of \$31 million.

For Q1 2009, RXT has had the best revenue quarter ever of \$59.5 million.

RXT1

This crew is now completely de-commissioned with equipment warehoused and ready for redeployment when the market dictates. The vessel M/V Beulah Chouest, originally part of RXT1, will be used to assist other RXT-operations. We believe that this plan allows time for the short term situation in the GoM to improve, and also provides the necessary break for long term work to become scheduled. Due to future sub-salt and deep target imaging opportunities in the obstructed areas on the shelf, we believe that the GoM will continue to play a vital part of RXT plans going forward.

RXT2

Production in Nigeria continues slightly behind production targets.

RXT3

The program in the Russian sector of the Caspian Sea started in the end of October 2008. Production has been good since January 2009, and the program completed in mid May 2009. The vessels are currently being de-rigged and handed over to the vessel owners. Seismic equipment will be stored onshore.

RXT4

Production for RXT4 – Vikland – has improved during Q1, and has been at

targeted earning levels since February 2009.

RXT5

RXT5, comprising RXT's first purpose built vessel Sanco Star and Ocean Europe, mobilised on the Albacora field in Brazil after clearance into Brazil in late February 2009. Production has been very good since start-up and is slightly ahead of production targets.

FINANCIAL

Revenue:

Revenue for Q1 2009 was \$59.5 million, compared to \$31.6 million in Q1 2008. Revenue in Q4 2008 was \$29.2 million. The increase in revenue is due to the start-up of RXT4 and RXT5, but also improved production for RXT2 and RXT3.

Operating expenses:

Cost of sales for Q1 2009 was \$41.6 million, compared to \$24.4 million in Q1 2008. Cost of sales in Q4 2008 was \$50.2 million. Q4 2008 included accruals for decommissioning of RXT1 and RXT3 in 2009.

Net depreciation was \$11.7 million in Q1 2009, compared to \$8.2 million in Q1 2008. Net depreciation in Q4 2008 was \$10.6 million.

Selling, general and administrative cost ("S, G&A") for Q1 2009 was \$3.0 million, compared to \$3.2 million in Q1 2008. S, G&A for Q4 2008 was \$3.4 million.

EBITDA:

EBITDA (earnings before interest, tax, depreciation, amortization and write-downs) for the quarter was \$15.0 million, compared to \$4.0 million in Q1 2008. EBITDA in Q4 2008 was minus \$24.2 million.

FINANCIAL ITEMS

Net financial expense for Q1 2009 was \$11.0 million, compared to net financial expense of \$12.5 million for Q1 2008. Net financial gain in Q4 2008 was \$41.2 million.

Financial expense in Q1 2009 includes foreign exchange expense amounting to \$7.4 million (expense of \$9.1 million in Q1 2008 and gain of \$45.2 million in Q4 2008).

Under IFRS, intercompany exchange gains/losses on internal loans can be recorded in the income statement if the two legal entities have different functional currency. RXT ASA (NOK as functional currency) has a significant receivable from RXT Norway in USD, and recognised an exchange loss due to do the weakening of USD towards NOK in Q1 2009. RXT Norway AS has USD as functional currency, and consequently, there is no corresponding exchange loss to be recorded to offset the gain in ASA. The exchange loss has no impact on cash flow. The effect on book equity is the same as if the currency effect had been recognized directly towards equity.

TAX

The Company has significant tax losses and tax credits to be carried forward. However, the Company has not recognized these potential deferred tax assets.

NET PROFIT/ LOSS

Net loss for Q1 2009 was \$7.9 million compared to a net loss of \$12.9 million in Q1 2008. Net loss for Q4 2008 was \$29.5 million.

BALANCE SHEET

Total non-current assets amounted to \$216.0 million at the end of the period. Investments amounted to \$2.8 million in Q1 2009.

Free cash and cash equivalents balance was \$3.0 million at the end of the quarter, compared to \$2.8 at year end 2008. RXT has a credit line amounting to NOK 110 million, most of this was utilized as per end of March 2009.

Total liabilities at the end of the quarter were \$241.0 million.

RXT issued in January 2009 an additional NOK 3.3 million bond loan as tranche 2 of the bond loan issued in December 2008. Further, additional 470,032 new warrants were issued. In addition, 258,260 new shares were issued in the repair issue in February 2009.

RXT completed on 14 April 2009 a private share issue of 103,140,646 shares, totalling NOK 134,082,839.80

RXT issued on 14 April 2009 a \$19,050,000 convertible bond loan. The Bond has a 12 months NIBOR coupon, a 4 year maturity and a strike price at the lower of (i) the lowest subscription price in any equity issues of shares after 1 January 2009 and (ii) NOK 1.40 per share.

As a part of the recent re-financing, the Company obtained permanent changes to some of its bond loan agreements. RXT is in compliance with the bond covenants as per end March 2009.





SHARES

258,560 new shares were issued in February 2009 related to tranche 2 of the private placement resolved 9 December 2008.

Total outstanding shares at 31 March 2009 were 49,947,165.

103,140,646 new shares were issued in April 2009 related to the private placement resolved 1 April 2009.

Total outstanding shares are currently 153,087,811.

As per 31 March 2009, a total of 2.8 million options are outstanding in connection with the share option

programs. Unallocated options are 154,625. Exercise price for the options varies from NOK 6 to NOK 75.

The convertible bond issued in February 2006 can be converted at NOK 40 per share. The nominal value of the convertible bond as per 31 March 2009 was NOK 90,111,493, corresponding to an additional 2,252,787 shares if/ when converted.

The conversion price to be applied for the convertible bond issued in April 2009 shall be equal to the lowest subscription price in any equity issue in the Company after 1 January 2009. After the share issue in April 2009 and the repair issue in

May 2009 at NOK 1.30 per share, the conversion price is currently NOK 1.30 per share. Based on the agreed rate of exchange between USD and NOK of NOK 6.6 for USD 1, excluding accrued interest, the nominal value as per 31 March 2009 is NOK 125,730,000. This corresponds to an additional 96,716,385 shares if/when converted.

The 39,674,577 warrants issued as part of the private bond placement in December 2008 may be exercised in the period up to and including 30 November 2012 at NOK 1.30 per share.





OUTLOOK

BACKLOG AND 2009 ACTIVITIES

Our entire senior team continues focusing on cost reduction and containment, restructuring, improved operational efficiency and driving productivity gains. Following our period of rapid growth, which severely stretched the organisation, the company has now, for the first time, the resources available to target these objectives. However, the safety of our people, the environment and our clients remains the number one agenda item. We will concentrate on capitalizing upon our \$360 million backlog as per end March 2009, predominantly with blue chip National Oil Corporations (NOCs) and International Oil Companies (IOCs), improving acquisition rates and optimizing our crew configurations.

All of these changes will bring a sharper focus on revenue, costs, efficiency and profit. RXT Board of Directors has agreed to a 20% reduction in their fees. Senior Management has agreed to a 10% salary cut. The voluntary pay reduction accepted by RXT staff both office based and offshore was met with a very high level of participation, at 82%, demonstrating strong commitment on the part of RXT employees.

Capex commitments for 2009 will be limited to the absolute minimum. Sanco Spirit - a second purpose built vessel, will be introduced in September 2009 as a source vessel. The development of our electro-

magnetic technology (EM) has been suspended.

RXT will now operate three crews in the immediate future since the contract in the Caspian Sea has now been completed. RXT will maintain the possibility to start a fourth and/or fifth operation again when market and financial conditions allow this to happen. We have equipment strategically warehoused in the Caspian Region and the US Gulf of Mexico for that possibility.

We have had a constructive working relationship with ION for the Vector-Seis system, and this dialog is ongoing on a number of issues including exclusivity. The current exclusivity agreement has certain minimum spend thresholds and it is unlikely RXT will cross them in 2009.

MARKET OUTLOOK

The existence of a sizeable contracted backlog in production reservoir areas, with blue chip clients, remains the underpinning of our business and this activity is expected to grow. In the near term, however, the sharp focus of the Company has been on performance versus market expectation. Until recently our performance has been unacceptable and a renewed vigor around costs and operational efficiency will prevail. And we are beginning to see improvements from these efforts.

Our clients, being NOCs and IOCs dealing with production reservoirs are exceptionally well placed to be repeat clients. In addition they are all supportive of the RXT model and the high quality of the data output from our data gathering activities.

There are several large tenders that have been received and are being prepared at this time, and more are anticipated throughout the course of this year. RXT expects to be in a good position to remain competitive in the sector going forward.

Lysaker, 19 May 2009

The Board of Directors
Reservoir Exploration Technology ASA



Reservoir Exploration Technology ASA Group

INCOME STATEMENTS

In US\$ 000'	Unaudited Quarter ended March 31		Audited Year ended Dec 31
	2009	2008	2008
REVENUE:			
Sales revenue	59 537	31 579	147 242
Total revenue	4 59 537	31 579	147 242
OPERATING EXPENSES:			
Cost of sales	41 576	24 371	131 155
Selling, general and administrative cost	3 004	3 211	14 266
EBITDA	14 957	3 997	1 821
Result from equity accounted investees	0	0	6 280
Impairment charges	0	0	16 399
Amortisation intangible assets	0	0	1 701
Depreciation	2 11 720	8 151	38 482
OPERATING PROFIT	4 3 237	(4 154)	(61 041)
FINANCIAL INCOME AND EXPENSES:			
Net foreign exchange gain (loss)	(7 374)	(9 127)	40 516
Financial income	74	141	721
Financial expenses	(3 689)	(3 507)	(17 330)
Net financial items	(10 989)	(12 493)	23 907
Net result before variances on derivative of convertible bond (CB)	(7 752)	(16 647)	(37 134)
Variance on derivative of CB	0	3 264	3 264
NET RESULT BEFORE TAX	(7 752)	(13 383)	(33 870)
Income tax expense (benefit)	122	(521)	11 956
NET PROFIT (LOSS)	(7 873)	(12 862)	(45 826)
Earnings (loss) per share (US\$) - Basic	(0.16)	(0.47)	(1.60)
Earnings (loss) per share (US\$) - Diluted	(0.16)	(0.47)	(1.60)
Average shares outstanding	49 852 360	27 368 252	28 596 894
Average shares outstanding - Diluted	52 105 147	31 046 841	70 753 553

Reservoir Exploration Technology ASA Group

BALANCE SHEETS

In US\$ 000'	Unaudited March 31 2009	Audited Dec 31 2008
ASSETS		
Non-current assets:		
Deferred tax asset	0	0
Multiclient library	12 520	11 752
Other intangible assets	4 972	3 390
Seismic equipment	188 845	198 254
Investment in equity accounted investees	6 286	5 996
Other fixed assets	3 730	175
Total non-current assets	216 353	219 567
Current assets:		
Accounts receivable	36 491	25 656
Other current assets	25 689	21 936
Total receivables	62 180	47 592
Cash and cash equivalents	3 032	2 771
Restricted cash	7 159	7 145
Total current assets	72 371	57 509
Total assets	288 724	277 076

In US\$ 000'	Unaudited March 31 2009	Audited Dec 31 2008
EQUITY AND LIABILITIES		
Shareholders' equity:		
Paid in capital:		
Share capital	751	747
Share premium reserve	13 733	13 501
Other equity	31 402	31 042
Translation differences		
Translation differences	(21 541)	(22 911)
Accumulated profits		
Retained earnings/(loss)	22 927	31 205
Total equity	47 271	53 584
Long-term liabilities:		
Convertible bond	3 11 455	10 719
Bond loan with warrants	3 26 386	24 588
Bond loan	3 83 346	0
Capital lease obligations	3 6 925	7 263
Deferred tax liabilities	4 162	4 157
Total long-term liabilities	132 272	46 727
Current liabilities:		
Bank overdraft	15 427	13 147
Bond loan	0	79 432
Short term interest bearing debt	3 7 024	7 024
Accounts payable	73 381	64 929
Other current liabilities	13 349	12 232
Total current liabilities	109 181	176 765
Total liabilities	241 453	223 492
Total equity and liabilities	288 724	277 076

Reservoir Exploration Technology ASA Group

CASH FLOW STATEMENTS

In US\$ 000'	Unaudited Quarter ended March 31,		Audited Year ended Dec 31,
	2009	2008	2008
Cash flow from operating activities:			
Net result before income taxes	(7 752)	(13 383)	(33 870)
Depreciation and amortisation	11 720	8 151	40 183
Impairment and restructuring	0	0	16 399
Fair value of conversion right CB	0	(3 264)	(3 264)
Changes in current assets/ liabilities	(11 326)	(3 055)	58 583
Net finance expense	10 989	12 493	(23 907)
Equity-settled share-based payments	193	415	1 647
Share of profit of equity accounted investees	0	0	6 280
Gain on sale of seismic equipment	0	0	(153)
Income tax paid	0	0	(5 297)
Net cash flow from operating activities	3 824	1 357	56 601
Cash flow from Investing activities:			
Investments in multi-client library	0	(73)	(11 752)
Interest received	74	141	721
Equity investment	0	0	0
Purchase of seismic equipment	(1 327)	(24 372)	(130 237)
Sale of seismic equipment	0	0	2 469
Investment in EM development	(1 577)	0	(4 932)
Net cash flow from investing activities	(2 830)	(24 304)	(143 731)
Cash flow from financing activities:			
Proceeds from new equity raised	235	264	20 273
Proceeds from debt raised	476	0	50 973
Net increase in credit facility	2 280		13 147
Payment of interest	(2 904)	(3 939)	(14 977)
Payment of debt	(821)	(1 136)	(5 276)
Net cash flow from financing activities	(733)	(4 812)	64 140
Cash balance:			
Net change in cash	261	(27 759)	(22 991)
Cash beginning of period	2 771	32 511	25 762
Cash end of period	3 032	4 753	2 771
Available credit facility	1 040	5 889	2 569

Statement of Recognised Income and Expenses (SOIRE)

In US\$ 000'	Unaudited		Audited
	31 Mar 2009	31 Mar 2008	31 Dec 2008
Net Profit (loss)	(7 873)	(12 862)	(45 826)
Translation differences	1 366	0	(22 911)
Tax on items recognised in equity	190	0	(4 157)
Total recognised income and expenses for the period	(6 317)	(12 862)	(72 894)

Changes in Equity

In US\$ 000'	Unaudited		Audited
	31 Mar 2009	31 Mar 2008	31 Dec 2008
Opening balance	53 584	75 817	75 817
Total recognised revenues and expenses in period	(6 317)	(12 862)	(72 894)
Share issue	235	304	19 101
Share issue options exercise			1 212
Other	(423)		2 398
Debt conversion			3 861
Equity share convertible bonds (net of tax)			22 442
Share options	193	415	1 647
Equity per period end	47 271	63 674	53 584

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GENERAL AND ACCOUNTING POLICIES

RXT (the Group) consists of Reservoir Exploration Technology ASA (the Company) and its subsidiaries. Reservoir Exploration Technology ASA is a limited company incorporated in Norway. The condensed consolidated interim financial statements comprise the Group.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available upon request from the Company's registered office at Lysaker Torg 5 A PO.BOX 104, N-1325 Lysaker, Norway or at www.rxt.com. These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2007. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

NOTE 1 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 31 December 2008.

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

In US\$ 000'	Office machines and software	Seismic equipment	Total fixed assets
Acquisition cost			
01.01.2009	1 456	287 781	289 237
Additions	41	1 286	1 327
Disposals	0	0	0
Acquisition cost at 31.03.2009	1 497	289 067	290 564
Accumulated depreciation 31.03.2009	845	90 263	91 108
Accumulated impairment losses 31.03.2009	0	10 611	10 611
Net carrying amount 31.03.2009	652	188 193	188 845
Depreciation for the year	94	11 626	11 720
Impairment for the year	0	0	0

During mobilisation, all direct costs are accrued, including depreciation.

2.1 FULLY WRITTEN DOWN NON-CURRENT ASSETS

Some fixtures and fittings with a total cost price of TUSD 70 have been fully depreciated as at 31 March 2009 but are still in use.

2.2 DISCARDED NON-CURRENT ASSETS

No non-current assets are ready to be discarded.

2.3 NON-CURRENT ASSETS TEMPORARILY OUT OF OPERATION

No non-current assets are temporarily out of operation.

2.4 EQUIPMENT LEASED UNDER FINANCE LEASES

The group has US\$ 12.6 million in equipment under finance leases.

2.5 CONSTRUCTION LOAN INTEREST

Office and seismic equipment include no construction loan interest in connection with the building of certain assets.

2.6 IMPAIRMENT LOSSES

The impairment calculation shows no indication of impairment losses.

2.7 RESIDUAL VALUE

The seismic equipment has no residual value

3 LONG-TERM LIABILITIES

In US\$ 000'	True rate of interest	Maturity date	Carrying amount
			31 Mar. 2009
Unsecured			
Bond loan (MNOK 400) *	7.57 %	2011	59 099
Bond loan (MNOK 165) *	8.47 %	2012	24 247
Bond loan with warrants	10.00 %	2012	26 386
Convertible bonds (CB)	5.00 %	2011	11 455
Total unsecured long-term debt			121 187
Secured			
Loan from vendor			1 367
Capital lease obligations	5.80 %	2011	12 582
Total secured long-term			13 949
1st year's principal repayments on long-term debt			(7 024)
Total long-term debt excl. the 1st year's principal repayments			128 113

*) The bond loans (MNOK 400 and MNOK 165) were reclassified to current liabilities in the balance sheet at 31 December 2008 since there was a breach with one of the covenants. At 31 March 2009 these loans are classified as long term liabilities since there is no such breach of covenants at 31 March 2009.

The rate of interest is a calculated weighted average.

Convertible bonds:

At 31 March 2009, there were 90,111,493 convertible bonds in issue. Each bond has a nominal value of NOK 1 and is convertible at the option of the bond holder into ordinary shares up to maturity, at 22 February 2011, on the basis of one ordinary share for every forty bonds held, a total of 2,252,787 shares. Any bonds not converted will be redeemed on 22 February 2011 at a price of NOK 1 per bond. The bonds carry an interest rate of 5% per annum, payable annually.

NOK 400 million bond loan

RXT issued on 11 May 2007 a bond loan with total amount of NOK 400,000,000. Par value of each bond is NOK 500,000 and maturity is at 11 May 2011. Interest per annum is NIBOR + 3.85 %.

NOK 165 million bond loan

RXT issued on 7 December 2007 a bond loan with total amount of NOK 165,000,000. Par value of each bond is NOK 500,000 and maturity is at 7 December 2012. Interest per annum is NIBOR + 4.75%.

RXT issued in December 2008 a bond loan with total amount of NOK 279.3 million. Par value of each bond is NOK 100 and maturity is 11 December 2012. Interest per annum is 10%, payable in June and December. Further, 39,674,577 warrants were issued as a part of the bond placement.

NOTE 4 SEGMENT INFORMATION

In US\$ 1 000

The Group's business is managed in one operational segment, seafloor seismic data acquisition. The product is identical across geographical markets.

The Group has by the end of March 2009 activity in two geographical areas, the Americas and Caspian Sea and Nigeria (both EAME). Because the group has only one business segment, the primary reporting format is the geographical segment. The EAME segment includes the office at Lysaker.

Quarter ended 31 Mar 2009	Americas	EAME	Total
Revenue	8 609	50 928	59 537
Operating profit/ loss	1 937	1 300	3 237
Depreciation	1 710	10 010	11 720

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RXT is a marine geophysical company specialising in multi component seismic sea-floor acquisition. Multi-component seismic solves several imaging challenges that cannot be resolved with towed streamer seismic, and targets improved oil recovery from existing fields. The technology also gives better data quality for exploration, and is also the solution where towed streamers are impractical due to high density of platforms and/ or shallow waters. The Company has offices in Oslo, London and Houston. Additional information is available at www.rxt.com.