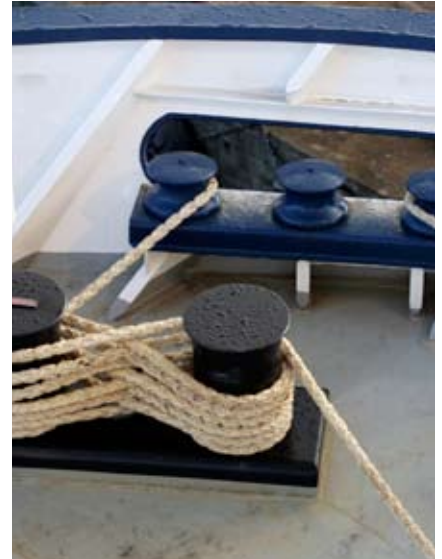
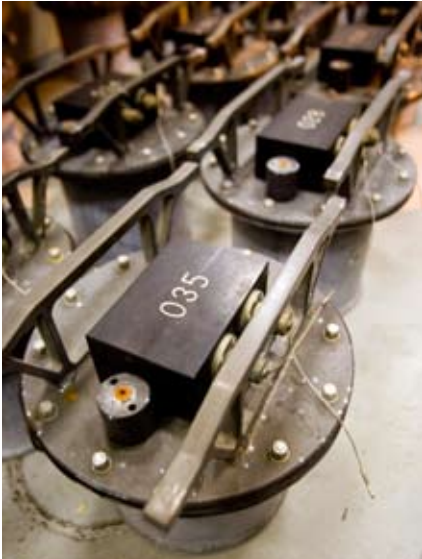


RESERVOIR EXPLORATION TECHNOLOGY ASA (RXT)
REPORT PER 3rd QUARTER 2008
(UNAUDITED)

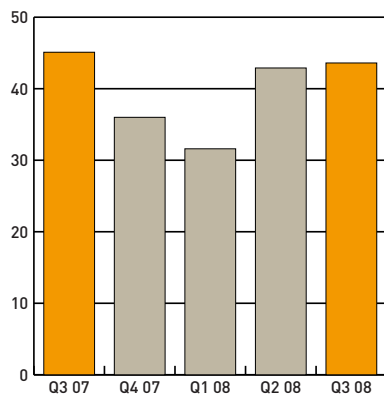


The future is on the seafloor

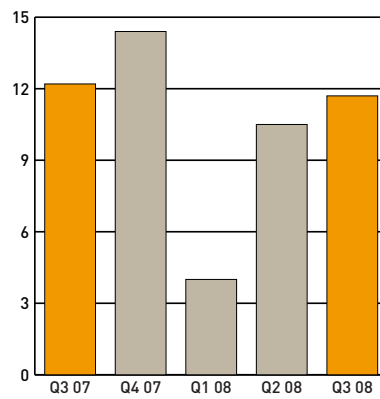




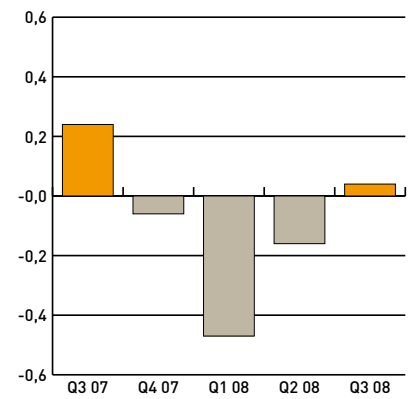
Revenue (In US\$ million)



EBITDA (In US\$ million)



Earnings per Share (In US\$)



REPORT PER 3rd QUARTER 2008 (UNAUDITED)

3rd QUARTER HIGHLIGHTS

- Secured \$60m financing, \$20m share issue and \$40m bond issue w/warrants
- Disappointing quarter – mainly due to hurricanes “Gustav” and “Ike” in the Gulf of Mexico (GOM) and delays in delivery of RXT4 and RXT5
- Contract award from BP in North Sea for RXT4
- Contract for RXT4 (announced in Q2 2008) delayed to Q2 2009, but increased substantially in scope
- Total backlog secured to date: Approximately \$480 million

KEY FINANCIAL FIGURES

USD million (except per share data)	Q3 2008	Q2 2008	Q3 2007	YTD 2008	YTD 2007	2007
Revenues	43,6	42,9	45,1	118,0	66,1	102,0
EBITDA	11,7	10,5	12,2	26,2	9,6	24,0
Operating profit/ (loss)	3,0	(0,5)	3,7	(1,7)	(5,4)	0,3
Non-cash income/ (charge) on derivative CB	0,0	0,0	8,2	3,3	(0,3)	(1,8)
Foreign exchange income/ (loss)	3,9	0,6	(8,6)	(4,7)	(8,9)	(10,7)
Net profit/ (loss)	1,0	(4,3)	6,2	(16,3)	(15,5)	(17,1)
Earnings per share	0,04	(0,16)	0,24	(0,59)	(0,61)	(0,66)

2008 OUTLOOK

- RXT1 - Gulf of Mexico operation – tendering on four programs in the GOM
- RXT2 - Ocean Pearl - secured work until end 2010
- RXT3 - Caspian operation – secured work until April 2009
- RXT4 - Vikland – delivered in early November 2008, secured work until Q4 2009
- RXT5 - Sanco Star, delivered in November 2008, secured work until Q1 2011

OPERATIONS

RXT1

RXT1 completed the 2C program in the Gulf of Mexico in early October. Production in Q3 was significantly affected by the hurricanes "Gustav" and "Ike", resulting in almost 4 weeks of non-paid weather standby. The vessels went to yard in early October for repair work, which was completed in the end of October. A further consequence of "Ike" was damage to a platform on the planned follow-on program which in turn was put on hold. The crew is now acquiring a non-funded program as a stop-gap solution in cooperation with another major seismic company that will provide the data processing and sales resources.

RXT2

The cable handling vessel Ark Phil arrived on the prospect in Nigeria in October. The addition of this second cable handling vessel will allow for optimum usage of a larger number of cables and a corresponding improvement in production revenue.

RXT3

The program in Azerbaijan successfully completed in August. The follow-on program for CKNG (joint venture between Gazprom and Lukoil) commenced as planned in October 2008, following planned docking of the vessels.

FINANCIAL

Revenue:

Revenue for Q3 2008 was \$43.6 million, compared to \$45.1 million in Q3

2007. Revenue in Q2 2008 was \$42.9 million.

Operating expenses:

The base operating cost (before accruals to/ from the balance sheet related to mobilisation) increased from \$26.9 million in Q2 2008 to \$30.2 million in Q3 2008. The increase is mainly related to operating expenses for Ark Phil (RXT2).

Cost of sales for Q3 2008 was \$28.4 million, compared to \$28.3 million in Q2 2008. Cost of sales in Q3 2007 was \$29.7 million.

Accruals for rigging and mobilisation were made to the balance sheet in Q3 2008, amounting to \$4.2 million in total (RXT4 and RXT5). \$2.4 million of earlier accruals for mobilisation were charged to the income statement. Net accrual of rigging/ mobilisation cost in Q3 2008 was \$1.8m.

The base depreciation cost (before accruals to/from the balance sheet related to mobilisation) decreased from \$10.9 million in Q2 2008 to \$9.7 million in Q3 2008.

Net depreciation was \$8.7 million in Q3 2008, compared to \$8.5 million in Q3 2007. Net depreciation in Q2 2008 was \$11.0 million.

Selling, general and administrative cost ("S, G&A") for Q3 2008 was \$3.5 million, compared to \$3.3 million in Q3 2007. S, G&A for Q2 2008 was \$4.1 million.

EBITDA:

EBITDA (earnings before interest, tax, depreciation, amortization and write-downs) for the quarter was \$11.7 million, compared to \$12.2 million in Q3 2007. EBITDA in Q2 2008 was \$10.5 million.

FINANCIAL ITEMS

Net financial expense for Q3 2008 was \$0.9 million, compared to net financial expense of \$11.6 million for Q3 2007. Net financial expense in Q2 2008 was \$3.8 million.

Financial expense in Q3 2008 includes foreign exchange gain amounting to \$3.9 million (expense of \$8.6 million in Q3 2007 and gain of \$0.6 million in Q2 2008).

TAX

The Company has significant tax losses to be carried forward, both in US and in Norway. Deferred tax asset of \$5 million, was recognised in Q4 2006 based on contracts secured in 2007. Another \$3.2 million was recognised in 2007.

NET PROFIT/ LOSS

Net profit for Q3 2008 was \$1.0 million compared to a net profit of \$6.2 million in Q3 2007. Net loss in Q2 2008 was \$4.3 million.

BALANCE SHEET

Total non-current assets amounted to \$202.0 million at the end of the

period. Purchase of seismic equipment amounted to \$15.5 million in Q3 2008.

Cash and cash equivalents balance was \$7.1 million at the end of the quarter, compared to \$32.5 at year end 2007. RXT has a credit line amounting to NOK 110m, most of this was utilised as per end of September 2008.

Total liabilities at the end of the quarter were \$172.1 million.

The parent company in RXT, RXT ASA, has sold a majority of its assets to the 100% owned subsidiary RXT

Norway AS based on assets values as per 1 July 2008. The transaction will reduce RXT Norway's exposure to withholding tax in various tax jurisdictions. Total transaction value was \$148m.

SHARES

42,917 new shares were issued in August 2008 related to exercise of employee share options.

Total outstanding shares is currently 28,126,105.

As per September 30th, 2008, a total of 2,980,335 options are outstanding

in connection with the share option programs. Unallocated options are 154,625.

The convertible bond can be converted at NOK 40 per share. The nominal value of the convertible bond as per September 30th, 2008 was NOK 90,111,493, corresponding to an additional 2,252,787 shares if/when converted.





OUTLOOK

Backlog and 2008 Activities

RXT1:

RXT is in dialogue with four different companies regarding follow-on work at the moment, and expects to secure one of these in the short term allowing for a December start. In the meantime the crew is acquiring a non-funded program as a stop-gap solution in cooperation with another major seismic company who will provide the data processing and sales resources. A sale of the processed data set is expected within the first half of 2009.

RXT2:

RXT2 has secured work for Mobil Producing Nigeria and provisionally Total E&P Nigeria Limited until end 2010, with a strong likelihood of further work being awarded, in Nigeria.

RXT3:

RXT3 started production for CKNG in Caspian offshore Russia in the end of October 2008. Estimated completion is April 2009. The equipment will then be moved to the North Sea, resulting in a two months mobilisation period.

RXT4:

As written in the Q2 report, RXT4 was scheduled to be operational in the North Sea from mid September 2008. The vessel has been delayed from the yard, and was taken on charter by RXT on November 9th, 2008. A program for BP in the North Sea will commence in the beginning of December 2008, followed

by the earlier announced program which was delayed until 2009 owing to environmental constraints. These programs will together give approximately one year backlog for RXT4.

RXT5:

RXT5, comprising RXT's first purpose built vessel Sanco Star and Ocean Europe, are committed to the two year program for Petrobras, and will mobilize for Brazil before the end of November and begin operations towards the end of December.

RXT6:

RXT6, Sanco Spirit - a second purpose built vessel, also under construction in Norway, will be introduced in June/July 2009. It will be similarly equipped to Sanco Star, but with an increased cable handling capacity. Capex commitments for this vessel have not yet been made. These will be deferred, resulting in a delayed introduction of RXT6. Sanco Spirit will in the meantime be equipped with the cables from RXT3. It is anticipated that the Sanco Spirit will begin operations in July in the North Sea before mobilising for the Middle East later in the year.

With over 2 years' backlog on RXT2, over 2 years on RXT5, 1 year on RXT4 and 6 months on RXT3/6, the greatest uncertainty is in the short-term (1-2 months) take up of RXT1 in the Gulf of Mexico.

With the appetite for multi azimuth seismic for sub-salt imaging moving on to the obstructed areas on

the Shelf, combined with the recent positive indications of potential hydrocarbon-bearing zones in the ultra deep (about 33,000 ft) Blackbeard well, the future for RXT's technology in the Gulf of Mexico is very healthy.

Operations – going forward

Through 2008, the operation and technical organisation has been involved in the outfitting of several vessels. Now that a healthy market share and backlog have been established, the organisation will be able to consolidate and focus on improved operational performance and cost efficiency of the existing fleet through 2009.

Capital expenditure will be minimised and limited to achieving the improved operational objectives with the existing fleet and some development of the EM prototype system.

This will provide a solid platform for further growth, as the market allows, in 2010 and beyond when increasing the operational capacity per crew will be at least as important as increasing crew count.

Market outlook

In order for oil companies to achieve their objectives in mature areas and producing fields, they need better quality seismic data with higher resolution and, in many cases, deeper imaging than has been achieved through conventional seismic acquisition. In other words, data quality is now a market driver.

The consequence of these facts is that the general market demand for RXT's products is high and increasing. This is evidenced by the present backlog of activity, the secured multi year programs in West Africa and South America, the overall level of tendering activity and the number of known programs coming out for tender in all regions.

Competition remains limited, with only two companies other than RXT adding OBC capacity in the last year. Oil company recognition of the superior image quality we have delivered and the strong condition of the overall seismic market make us confident that we can tender at rates at least consistent with our annualised EBIDTA projections.

With our current growth plan we expect to maintain our share of the rapidly expanding OBC market at more than 50 percent.

Going forward - General

Going forward, if supply meets demand in the streamer sector of the marine seismic market, then pressure on pricing may well be the result. However, this is not expected to have any significant impact on the OBC business as the oil companies' need for long offset acquisition for deeper imaging in mature areas (approximately 75% of RXT's business today) and the drive to optimise output from producing fields (approximately 25% of RXT's business today) is only going to increase as time goes on. These requirements

are best addressed by OBC from both a technical and commercial standpoint and, in many cases, can only be addressed by OBC. In other words, apart from development applications where OBC may compete with streamers (e.g. 4D applications, multi and wide azimuth), the market drivers for OBC technology are different to those for streamer technology and the two segments need to be evaluated separately with this in mind.

Business fundamentals remain strong with a continued high level of leads, active tendering and limited competition. This, combined with a backlog of more than \$450 million with solid clients makes us confident of a bright future for our company.



Electromagnetic technology

RXT's exclusivity for KMS Technologies' electromagnetic (EM) technology for cable based seafloor applications will, subject to the success of the currently ongoing checkpoint efforts, allow RXT to introduce EM services during 2009. The technology offers the potential for better data quality and a wider range of applications, including acquisition in shallow water which is presently a problem for existing CSEM technology.

A design development program has now started in cooperation with KMS, and a full project team has been employed. Although RXT expects to begin with a dedicated

EM crew, it is also planned to deploy the EM technology on RXT's existing seismic vessels in order that both multi component seismic and EM technology can be offered from the same operational platform. This will in turn allow for a faster and cheaper deployment of the EM technology. The two technologies are totally complementary. The imaging strength of OBC seismic, combined with the fluid detection capability of EM, will provide a unique and powerful integrated solution for reservoir characterisation and production monitoring, to even better address the oil company challenges going forward.

The first prototype testing has been successfully completed in the Gulf of Mexico.

Financing

Lack of progress on alternative lease financing on the equipment for crews RXT4 and RXT5, cash flow shortfall from operations in the Gulf of Mexico and delays on the start-up of RXT 4 and RXT 5 operations, resulted in a significant funding requirement for RXT.

RXT announced November 10th the signing of a Term Sheet with Lime Rock Partners for financing the capital expenditure of RXT 4 and RXT 5. RXT received at the same time indicative commitments from certain existing shareholders for subscription on the same terms.

Following the conclusion of the due diligence and the positive resolution in LRP's investment committee, the Board of RXT has agreed with LRP on the same structure as stated in the indicative term sheet. The total amounts being a bond with warrants of NOK 276 million and a share issue of NOK 138 million, a total of NOK 414 million where LRP will contribute with up to NOK 207 million in bonds with warrants and up to NOK 103.5 million in shares. The price in the share issue is agreed at NOK 6.40 per share and the strike of the warrants is agreed at NOK 7.04. Existing shareholders have committed to subscribe for the remainder in bonds with warrants and shares on the same terms as LRP. The transaction is subject to final documentation and the approval of the transaction by the shareholders of RXT in an EGM.

Final investor documentation is expected to be executed on or about the 21 November 2008. The call for the EGM is expected to be sent on or about the 24 November and the EGM is expected to be held on or about the 8 December.

The new shares will not be tradable until they have been fully paid and the share capital increase has been registered in the Norwegian Register of Business Enterprises and the VPS.

A listing prospectus will be prepared in connection with the listing of the new shares on Oslo Børs. The new

shares will not be tradable on Oslo Børs until after the publication of such prospectus, expected medio December.

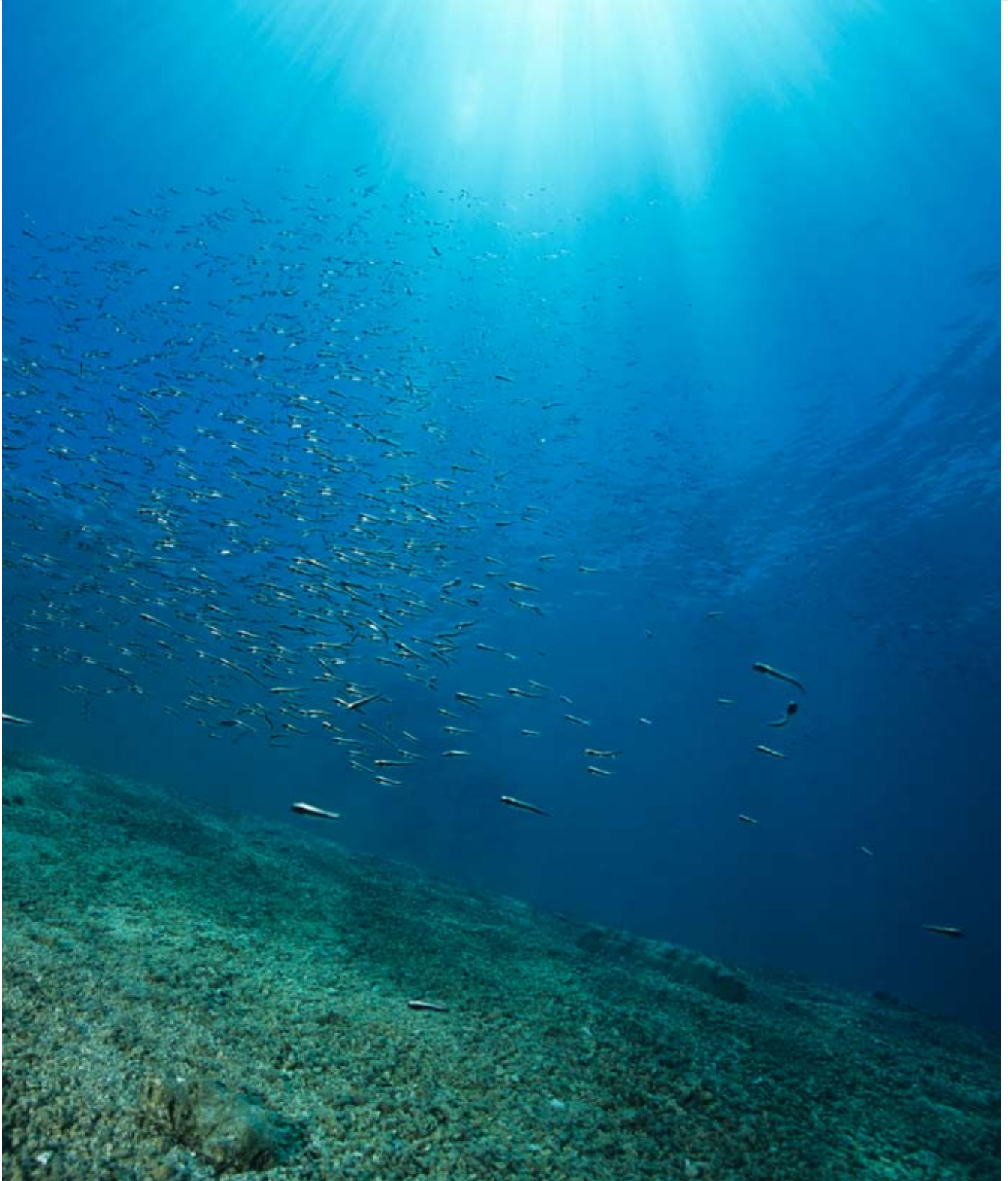
The Company's board of directors will suggest to the EGM to conduct a subsequent repair offering of up to NOK 41.4 million whereof NOK 27.6 million in bonds with warrants and NOK 13.8 million in shares on the same terms as in the transaction. The subsequent offering will be directed to shareholders of the Company who as of 19 November 2008 was not invited to participate in the private placement. With priority behind the existing shareholders mentioned above, the subsequent offering shall also be offered to the employees of the Company and of the Company's fully controlled subsidiaries. The shares in the Company will trade excluding rights to participate in the subsequent repair offering from 20 November 2008.

Guidance

- EBITDA for 2008 \$40 million.
- Annualised EBITDA per operation in 2009 \$20 million (five operations in 2009).

Lysaker, 20th November 2008

The Board of Directors
Reservoir Exploration Technology ASA



Reservoir Exploration Technology ASA Group

INCOME STATEMENTS

In US\$ 000'	Unaudited Quarter ended Sep 30,		Unaudited Nine months ended Sep 30,		Audited Year ended Dec 31,
	2008	2007	2008	2007	2007
REVENUE:					
Sales revenue	42 712	45 143	117 181	66 065	102 048
Share of profit of equity accounted investees	850		850		
Total revenue	4	43 561	45 143	118 030	66 065
OPERATING EXPENSES:					
Cost of sales	28 360	29 660	80 991	49 108	67 756
Selling, general and administrative cost	3 533	3 275	10 876	7 339	10 277
EBITDA	11 669	12 208	26 164	9 618	24 015
Depreciation	8 665	8 474	27 868	14 992	23 677
OPERATING PROFIT	4	3 003	3 734	-1 704	-5 374
FINANCIAL INCOME AND EXPENSES:					
Financial income	131	540	420	950	1 435
Financial expenses	-982	-12 113	-17 709	-16 845	-20 279
Net financial items	-851	-11 573	-17 288	-15 895	-18 844
Net result before variances on derivative of convertible bond (CB)	2 152	-7 839	-18 992	-21 269	-18 506
Variance on derivative of CB	0	8 230	3 264	-349	-1 793
NET RESULT BEFORE TAX	2 152	391	-15 728	-21 618	-20 300
Income tax expense (benefit)	1 144	-5 771	598	-6 069	-3 238
NET PROFIT (LOSS)	1 008	6 163	-16 327	-15 549	-17 063
Earnings per share (US\$) - Basic	0,04	0,24	-0,59	-0,61	-0,66
Earnings per share (US\$) - Diluted	0,04	0,24	-0,59	-0,61	-0,66
Average shares outstanding	28 098 593	25 779 551	27 724 166	25 659 311	25 763 900
Average shares outstanding - Diluted	31 240 501	30 448 700	30 901 739	30 314 548	29 631 224

Reservoir Exploration Technology ASA Group

BALANCE SHEETS

In US\$ 000'	Unaudited September 30, 2008	Audited December 31, 2007
ASSETS		
Non-current assets:		
Deferred tax asset	7 795	8 393
Multiclient library	3 989	4 489
Other intangible assets	4 438	1 458
Seismic equipment	2 165 914	119 939
Investment in equity accounted investees	17 216	17 386
Other fixed assets	2 635	175
Total non-current assets	201 986	151 840
Current assets:		
Accounts receivable	33 776	34 615
Other current assets	26 306	23 296
Total receivables	60 082	57 911
Cash and cash equivalents	7 156	32 511
Total current assets	67 238	90 422
Total assets	269 224	242 262

In US\$ 000'	Unaudited September 30, 2008	Audited December 31, 2007
EQUITY AND LIABILITIES		
Shareholders' equity:		
Paid in capital:		
Share capital	439	408
Share premium reserve	125 096	110 051
Share capital under registration	0	10 000
Other equity	39 532	6 954
Accumulated profits		
Retained earnings/(loss)	-67 924	-51 596
Total equity	97 143	75 817
Long-term liabilities:		
Convertible bond	8 870	12 940
Fair value of conversion right CB	0	15 625
Bond loan	95 279	29 744
Capital lease obligations	14 458	5 820
Total long-term liabilities	118 608	64 129
Current liabilities:		
Bank overdraft	15 326	0
Bond loan	0	72 383
Short term interest bearing debt	1 367	2 733
Accounts payable	32 348	20 449
Other current liabilities	4 433	6 752
Total current liabilities	53 473	102 317
Total liabilities	172 081	166 446
Total equity and liabilities	269 224	242 262

Reservoir Exploration Technology ASA Group

CASH FLOW STATEMENTS

In US\$ 000'	Unaudited Quarter ended Sep 30,		Unaudited Nine months ended Sep 30,		Audited Year ended Dec 31,
	2008	2007	2008	2007	2007
Cash flow from operating activities:					
Net result before income taxes	2 152	391	(15 728)	(21 618)	(20 300)
Depreciation	8 665	8 474	27 868	14 992	23 677
Fair value of conversion right CB	0	(8 230)	(3 264)	349	1 793
Changes in current assets/ liabilities	8 646	(18 604)	5 182	(38 034)	(34 807)
Net finance expense	851	10 901	17 288	10 704	18 844
Equity-settled share-based payments	385	0	1 410	0	1 119
Share of profit of equity accounted investees	(850)	0	(850)	0	0
Income tax paid	0	0	0	0	1 231
Net cash flow from operating activities	19 850	(7 068)	31 905	(33 607)	(8 443)
Cash flow from Investing activities:					
Investments in multi-client library	(522)	0	(500)	(1 927)	(4 489)
Interest received	131	0	420	0	1 435
Equity investment	0	0	0	0	(7 386)
Purchase of seismic equipment	(15 495)	(7 286)	(73 843)	(47 135)	(75 693)
Prepaid seismic equipment	0	0	0	0	(1 458)
Net cash flow from investing activities	(15 887)	(7 286)	(73 922)	(49 062)	(87 591)
Cash flow from financing activities:					
Proceeds from new equity raised	241	84	5 073	1 521	6 519
Proceeds from debt raised	1 330	0	26 920	71 156	101 238
Payment of interest	(3 963)	0	(11 205)	0	(7 857)
Payment of debt	(1 493)	(456)	(4 126)	(2 050)	(6 879)
Net cash flow from financing activities	(3 885)	(372)	16 662	70 627	93 021
Cash balance:					
Net change in cash	79	(14 726)	(25 355)	(12 042)	(3 012)
Cash beginning of period	7 077	38 207	32 511	35 523	35 523
Cash end of period	7 156	23 481	7 156	23 481	32 511

Changes in Equity

	Unaudited Sep 30, 2008	Audited Dec 31, 2007
In US\$ 000'		
Opening balance	75 817	70 968
Not paid in capital	0	10 000
Share issue	1 252	1 030
Net result	-16 327	-17 063
Share options	1 410	1 119
De-recognition of conversion right CB	13 252	0
Foreign currency translation differences	17 877	0
Conversion of CB	3 861	9 760
Equity per period end	97 143	75 817

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 2007 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 2007.

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 2007.

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

In US\$ 000'	Office machines and software	Seismic equipment	Total fixed assets
Acquisition cost			
01.01.2008	1 201	160 267	161 468
Additions	27	73 816	73 843
Disposals			
Change in functional currency			
Acquisition cost at 30.09.2008	1 228	234 083	235 311
Accumulated depreciation and impairment losses			
01.01.2008	391	41 139	41 530
The year's depreciation	275	27 593	27 868
The year's impairment losses			
Accumulated depreciation and impairment test 30.06.2008	666	68 732	69 398
Net carrying amount 30.06.2008	562	165 351	165 914

During mobilisation, all direct costs are accrued, including depreciation. As of 30 September 2008, US\$ 4,106 in depreciation is accrued, and will be expensed in the profit and loss accounts (under depreciation) over the duration of the contract by reference to the stage of completion.

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 30 September 2008 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\$ 16.5 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
			30 Sep. 2008
Unsecured			
Bond loan (MNOK 400)	11,28 %	2011	67 548
Bond loan (MNOK 165)	12,18 %	2012	27 731
Convertible bonds (CB)	5,00 %	2011	8 870
Fair value of conversion right CB		2011	0
Total unsecured long-term debt			104 149
Secured			
Loan from vendor			1 367
Capital lease obligations	9,80 %	2010	14 458
Total secured long-term			15 825
1st year's principal repayments on long-term debt			-1 367
Total long-term debt excl. the 1st year's principal repayments			118 608

The rate of interest is a calculated weighted average.

Convertible bonds:

At September 30th, 2008, 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 February 22nd, 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 February 22nd, 2011 at a price of NOK 1 per bond. The bonds carry an interest rate of 5% per annum, payable annually.

As USD has been the functional currency of the company issuing the bond, the loan and derivative has been recognised as a financial liability. IAS 32 requires that the net proceeds from the issue of the convertible loan is split between the liability element (the base loan) and an embedded derivative (the option to convert into shares). The embedded derivative represents the fair value of the embedded option to convert the liability into equity of the group. Normally this split is made at inception with the value of the embedded derivative being recognised in equity, and this value in equity is not remeasured at future dates.

However, because this convertible loan is denominated in NOK, the embedded derivative has been recognised as a liability. Consequently, the fair value of the embedded derivative has been measured at each reporting date, with the changes in fair value being recorded in the income statement. These entries do not affect the level of liability that must be paid to loan holders at maturity date, and therefore do not represent the amount of cash that the group may need to fund in the future.

The derivative has been computed by applying the Black & Scholes model, using a volatility of 45%. In relation to the issue of the convertible bond, NOK 9,800,000 incurred in expenses. This amount is amortized over the duration of the convertible bond.

Functional currency for RXT ASA, who has issued the convertible bond, change from USD to NOK April 1, 2008. Due to this change, the market value of the financial derivative part of the convertible bond is reclassified to equity, and there are no more changes to be recognised in the income statement.

NOK 400 million bond loan

RXT issued on May 11, 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 May 11th, 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 December 7th, 2012. Interest per annum is NIBOR + 4.75%.

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 September 2008 activity in two geographical areas, the Gulf of Mexico (Americas), the 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 Sep 30, 2008	Americas	EAME	Total
Revenue	16 850	26 711	43 561
Operating profit/ loss	2 397	606	3 003
Depreciation	2 380	6 285	8 665
Six months ended Sep 30, 2008	Americas	EAME	Total
Revenue	47 921	70 109	118 030
Operating profit/ loss	10 332	-12 036	-1 704
Depreciation	6 807	21 061	27 868

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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.