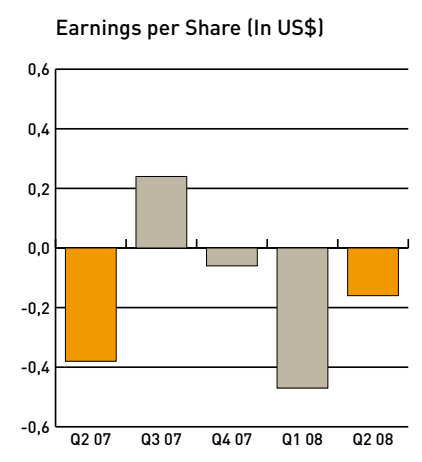
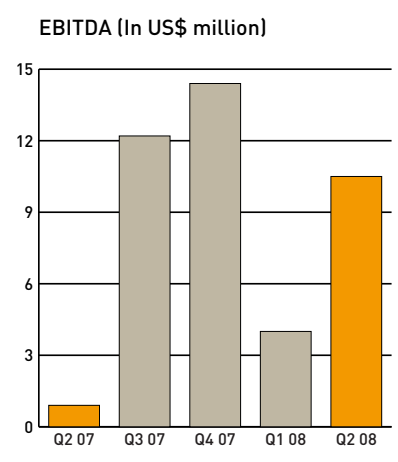
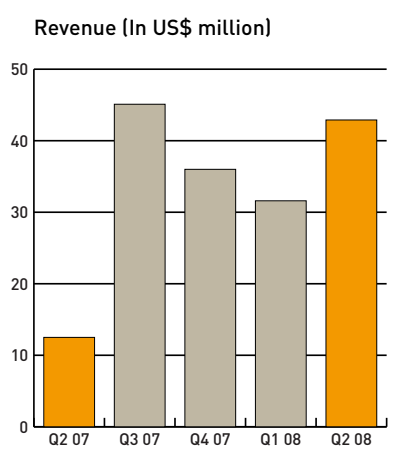
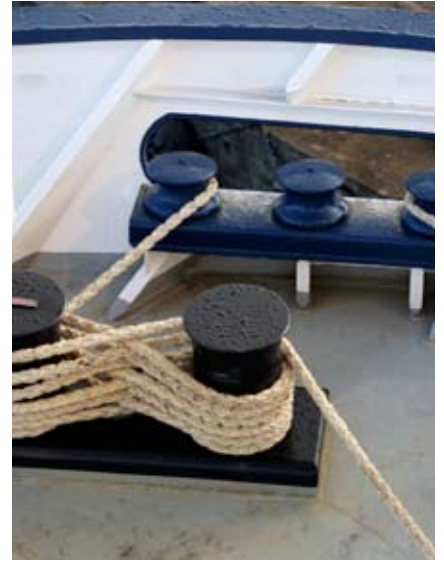
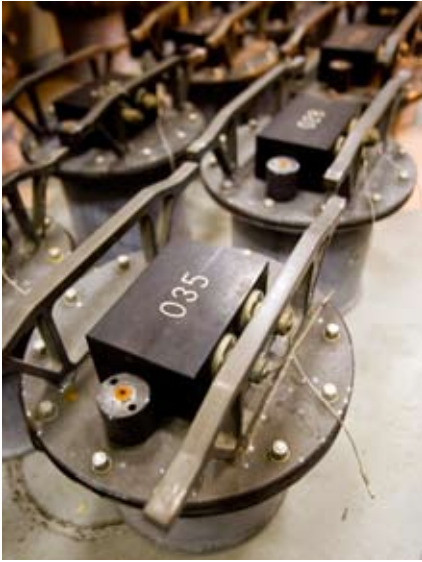


RESERVOIR EXPLORATION TECHNOLOGY ASA (RXT)
REPORT PER 2nd QUARTER AND FIRST HALF 2008
(UNAUDITED)



The future is on the seafloor





REPORT PER 2nd QUARTER AND FIRST HALF 2008 (UNAUDITED)

2ND QUARTER HIGHLIGHTS

- Quarter as projected despite delayed production improvements in Nigeria
- Strong operational efficiency gains in Nigeria (RXT2) – 40% increase in revenue from June to July
- \$210 million contract award from Petrobras in Brazil for RXT5
- \$21 million contract award in Norway for RXT4
- Six month contract award from CKNG in Caspian Sea (Russia) for RXT3
- Provisional six month program award from Total E&P Nigeria Limited for RXT2
- Total backlog secured to date: Approximately \$450 million
- Chartered new source vessel for Brazilian operation
- Significant improvements in down time in both the Nigeria and Caspian operations
- Financial lease with SG Finans AS - \$11.6 million
- Change of functional currency in RXT ASA - giving significant effects on assets, fair value adjustment of convertible bond and equity
- In compliance with bond covenants

KEY FINANCIAL FIGURES

USD million (except per share data)	Q2 2008	Q1 2008	Q2 2007	1H 2008	1H 2007	2007
Revenues	42,9	31,6	12,5	74,5	20,9	102,0
EBITDA	10,5	4,0	0,9	14,5	(2,6)	24,0
Operating profit/ (loss)	(0,5)	(4,2)	(1,7)	(4,7)	(9,1)	0,3
Non-cash income/ (charge) on derivative CB	0,0	3,3	(4,4)	3,3	(8,6)	(1,8)
Foreign exchange income/ (loss)	0,6	(9,1)	(2,4)	(8,5)	(2,7)	(10,7)
Net profit/ (loss)	(4,3)	(12,9)	(9,7)	(17,3)	(21,7)	(17,1)
Earnings per share	(0,16)	(0,47)	(0,38)	(0,63)	(0,85)	(0,66)

2008 OUTLOOK

- RXT1 - Gulf of Mexico operation - secured work until October 2008
- RXT2 - Ocean Pearl - secured work until mid Q2 2011
- RXT3 - Caspian operation – secured work until May 2009
- RXT4 - Vikland – to be delivered in August 2008, secured work until January 2009 in Norway
- RXT5 - Sanco Star, to be delivered in October 2008, secured work until Q1 2011 in Brazil
- Guidance:
 - Annualised EBITDA per operation \$20 million – current run rate is higher
 - Going forward, high demand/ limited capacity and improvement in operational performance will improve this
 - Q3 EBITDA to double from Q2

OPERATIONS

RXT1 successfully completed a deep water test for GX Technologies in April. The test was done in more than 1100 meters water depth and represents an important milestone in our drive to take our operations deeper – especially with a view towards multi/wide azimuth applications in the Gulf of Mexico and elsewhere. The 2C program for TGS, as announced in February 2008, commenced in late April and will be completed late September. Operational efficiency has been very good during the quarter.

RXT2

Ramco Express, the cable handling vessel, was approved for close pass to platforms in June, which has resulted in a significant improvement in production. Production revenue increased with 40% from June to July, and will improve even further when the main cable handling vessel Ark Phil is operational in Nigeria in September.

RXT3

Production has been as budgeted in Q2, and the survey is expected to complete as projected in August 2008.

FINANCIAL

Revenue:

Revenue for Q2 2008 was \$42.9 million, compared to \$12.5 million in Q2 2007. Revenue in Q1 2008 was \$31.6 million.

Operating expenses:

The base operating cost (before ac-

cruals to/ from the balance sheet related to mobilisation) increased from \$26.7 million in Q1 2008 to \$26.9 million in Q2 2008.

Cost of sales for Q2 2008 was \$28.3 million, compared to \$24.4 million in Q1 2008. Cost of sales in Q2 2007 was \$9.8 million.

Accruals for rigging were made to the balance sheet in Q2 2008, amounting to \$1.0 million in total (RXT4 and RXT5). \$2.5 million of earlier accruals for mobilisation were charged to the income statement. Net expense of rigging/ mobilisation cost in Q2 2008 was \$1.5 million.

The base depreciation cost (before accruals to/from the balance sheet related to mobilisation) increased from \$8.7 million in Q1 2008 to \$10.9 million in Q2 2008. The increase is due to the change of functional currency in RXT ASA. This change resulted in a consolidation/conversion at different exchange rates, which results in higher asset values and correspondingly higher depreciation going forward.

Net depreciation was \$11.0 million in Q2 2008, compared to \$2.6 million in Q2 2007. Net depreciation in Q1 2008 was \$8.2 million.

Selling, general and administrative cost ("S, G&A") for Q2 2008 was \$4.1 million, compared to \$1.8 million in Q2 2007. S, G&A for Q1 2008 was \$3.2 million. S, G&A includes expensed share option cost in Q2 2008

with \$1.1 million, compared to \$0.2 million in Q2 2007 and \$0.4 million in Q1 2008.

EBITDA:

EBITDA (earnings before interest, tax, depreciation, amortization and write-downs) for the quarter was \$10.5 million, compared to \$0.9 million in Q2 2007. EBITDA in Q1 2008 was \$4.0 million.

FINANCIAL ITEMS

Net financial expense for Q2 2008 was \$3.8 million, compared to net financial expense of \$3.8 million for Q2 2007. Net financial expense in Q1 2008 was \$12.5 million.

Financial expense in Q2 2008 includes foreign exchange gain amounting to \$0.6 million (expense of \$2.4 million in Q2 2007 and expense of \$9.1 million in Q1 2008).

CHANGE OF FUNCTIONAL CURRENCY IN RXT ASA FROM USD TO NOK:

For each legal entity in the RXT Group, the functional currency must be determined. This will be based on the currency having most influence on the transactions in the legal entity. For RXT ASA, parent company in the RXT Group, this has been USD.

Due to certain changes in RXT ASA during 2008, like moving contracts to subsidiaries, functional currency for RXT ASA is determined to be NOK effective April 1, 2008.

The change in functional currency gives the following effects:

- The fair value element of the convertible bond (\$13.3 million as per end Q1 2008) reclassified from debt to equity, and there will be no more changes to be recognised in the income statements.
- There is a significant impact on the asset values in the Balance Sheet. The assets have been acquired at significantly higher USD/NOK exchange rates than the current market rate. So far the asset values have reflected historical cost prices in USD. When the functional currency changes to NOK, the accounting treatment will be to convert the

NOK balance in the end of the period at the USD/NOK rate at the end of the period. This will result in a significantly higher USD value for the assets. The uplift in value as per 1 April 2008 was \$24.4 million. The increase has been booked directly to equity.

- Due to the increase in asset values, depreciation will also increase going forward.
- There will be no change in reporting currency for RXT Group, this will still be in USD.

A comparison of RXT's balance sheet before (March 31, 2008) and after (April 1, 2008) the change is shown in note 5.

VARIANCE ON DERIVATIVE OF THE CONVERTIBLE BOND

Due to the change in functional currency as referred to above, 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.

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 loss for Q2 2008 was \$4.3 million compared to a net loss of \$9.7 million in Q2 2007. Net loss in Q1 2008 was \$12.9 million.

BALANCE SHEET

Total non-current assets amounted to \$218.1 million at the end of the period. Purchase of seismic equipment amounted to \$33.0 million in Q2 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 \$21.5 million, \$16.0 million was utilised as per end of June 2008.

Total liabilities at the end of the quarter were \$188.0 million.

According to IFRS, a convertible bond shall be split into an equity element and a debt element. However, this is not the case if the currency of the convertible bond is different from the functional currency of the issuing company. The convertible bond was issued in NOK by RXT ASA, having USD as its functional currency. Consequently, the convertible bond includes a financial derivative to be recognised as a financial liability at inception and with following changes in estimated market value recognised in the income statements. Reference is made to IAS 32.16.

The financial liability at inception was \$5.0 million. Total changes



(expense) in 2006 were \$10.3 million, resulting in market value of \$15.3 million in the end of 2006. Total changes (expense) in 2007 are \$1.8 million. Total changes (income) in Q1 2008 were \$3.3 million. The market value in the end of Q1 2008 was \$13.2 million.

Due to the change in functional currency as referred to above, the market value of the financial derivative part of the convertible bond is reclassified to equity 1 April 2008, and there are no more changes to be recognised in the income statement.

FINANCIAL LEASE SG FINANS AS

RXT entered in Q2 2008 into a financial lease with SG Finans AS for seismic equipment amounting to \$11.6 million.

SHARES

100,250 new shares were issued in May 2008 related to exercise of employee share options.

One bondholder in RXT01 converted NOK 112,000 into 2,800 new shares in July 2008.

Total outstanding shares is currently 28,083,188.

As per June 30th, 2008, a total of 3,023,352 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 June 30th, 2008 was NOK 90,223,493. One bondholder converted NOK 112,000 into 2,800 new shares in July 2008. The nominal value of the Convertible bond after this conversion was NOK 90,111,493, corresponding to an additional 2,252,787 shares if/ when converted.

OUTLOOK

Backlog and 2008 Activities

RXT1 has work secured through September 2008 with outstanding tenders on several other 2C programs in the Gulf of Mexico, totalling in excess of 18 months work.

RXT2 has secured work for Mobil Producing Nigeria and provisionally Total E&P Nigeria Limited until mid 2011, with a strong likelihood of further work being awarded, in Nigeria.

RXT3 started production in Azerbaijan for BP in January 2008. Estimated completion is August 2008. The program for CKNG in Caspian offshore Russia will commence in October 2008, and estimated duration is six months. There are several requests for crew availability in the Caspian region.

RXT4 – Vikland - is scheduled to be delivered in August 2008, and will start production on a contract in Norway in mid September 2008 until the end of the year. Thereafter, the most likely deployment will be in the Middle/Far East.

RXT5 – Sanco Star - a purpose built vessel presently being built in Norway, will be introduced late Q3 2008. It will be equipped to handle both cables and energy source for single vessel operations where appropriate. The vessel will most likely go to Brazil to work on the Petrobras contract. In that case it will be complemented by the source vessel Ocean Europe, scheduled to be delivered from the yard in October. RXT5 has

secured work in Brazil for Petrobras until Q2 2011.

RXT6 – Sanco Spirit - a second purpose built vessel, also under construction in Norway, will be introduced in April 2009. It will be similarly equipped to RXT5, but with an increased cable handling capacity. The crew will almost certainly start operations in the North Sea for the 2009 season and then be deployed in the Middle East.

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 on all three crews, the outstanding tenders on 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 in the near future.

There has been an unprecedented increase in the level of interest in our services from oil companies in all regions of the world and consequently we expect demand to continue to exceed supply for the

foreseeable future. Specifically we have been approached by both supermajors and NOCs for several multi year OBC programs targeted at delivering "development quality" seismic data aimed at maximising hydrocarbon recovery from existing fields.

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 better rates than we have offered before.

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

Going forward

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.

Electromagnetic technology

RXT's exclusivity for KMS Technologies' electromagnetic (EM) technol-

ogy for cable based seafloor applications will, subject to the success of the currently ongoing checkpoint efforts, allow RXT to offer EM services from early 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. Ultimately it is 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, in turn, will 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 characterisa-



tion and production monitoring, to even better address the oil company challenges going forward.

The prototype testing has started and the first limited capacity prototype crew will begin operations in Q1/Q2 next year, with the aim of a full capacity crew within the end of 2009.

Financial comments

Bond covenant:

As disclosed earlier, RXT has been in breach with the minimum equity to capital deployed ratio requirement for the NOK 400 million senior unsecured bond loan issued in May 2007. In a Bondholders meeting held November 26th, 2007, the bondholders agreed to a temporally waiver of this ratio requirement. The waiver implies that for a period of nine months of the date of the Bondholders' meeting, the ratio shall be 30 percent or higher. The ratio covenant shall thereafter be at least 40 percent.

After the change of functional currency in RXT ASA as referred to above, the equity in RXT has improved. As per June 30, 2008, the equity to capital deployed ratio is higher than 40%, meaning that RXT is in compliance with the bond covenants.

Liquidity/ Financing:

RXT's cash balance in the end of June 2008 is low, and the company is evaluating several financing alternatives, including financial and

operational leases, to fund some of the investments into RXT5 in 2008. RXT was granted a new credit line from Nordea in Q1 2008, amounting to \$21.5 million, and entered into a financial lease with SG Finans AS for seismic equipment on RXT4, amounting to \$11.6 million.

Beyond 2009, RXT is expecting two new operations per year, one OBC and one EM. The investment into these operations should be funded with cash flow from existing operations, which in the future should generate excess cash after the investments. RXT strategy is to distribute this cash back to shareholders, alternatively buy back own shares.

Share options:

As per June 30th, 2008, a total of 3,023,352 options are outstanding in connection with the share option programs. A majority of these options were granted in 2005 and 2006. Around 500,000 will expire in February 2009 and around 130,000 will expire in November 2009.

Only around 350,000 options have been exercised since May 2005, despite that fact that a significant amount of options have been exercisable for a long time. No options have so far been exercised by senior management.

2008 Guidance

- Annualised EBITDA per operation \$20 million - current run rate is higher

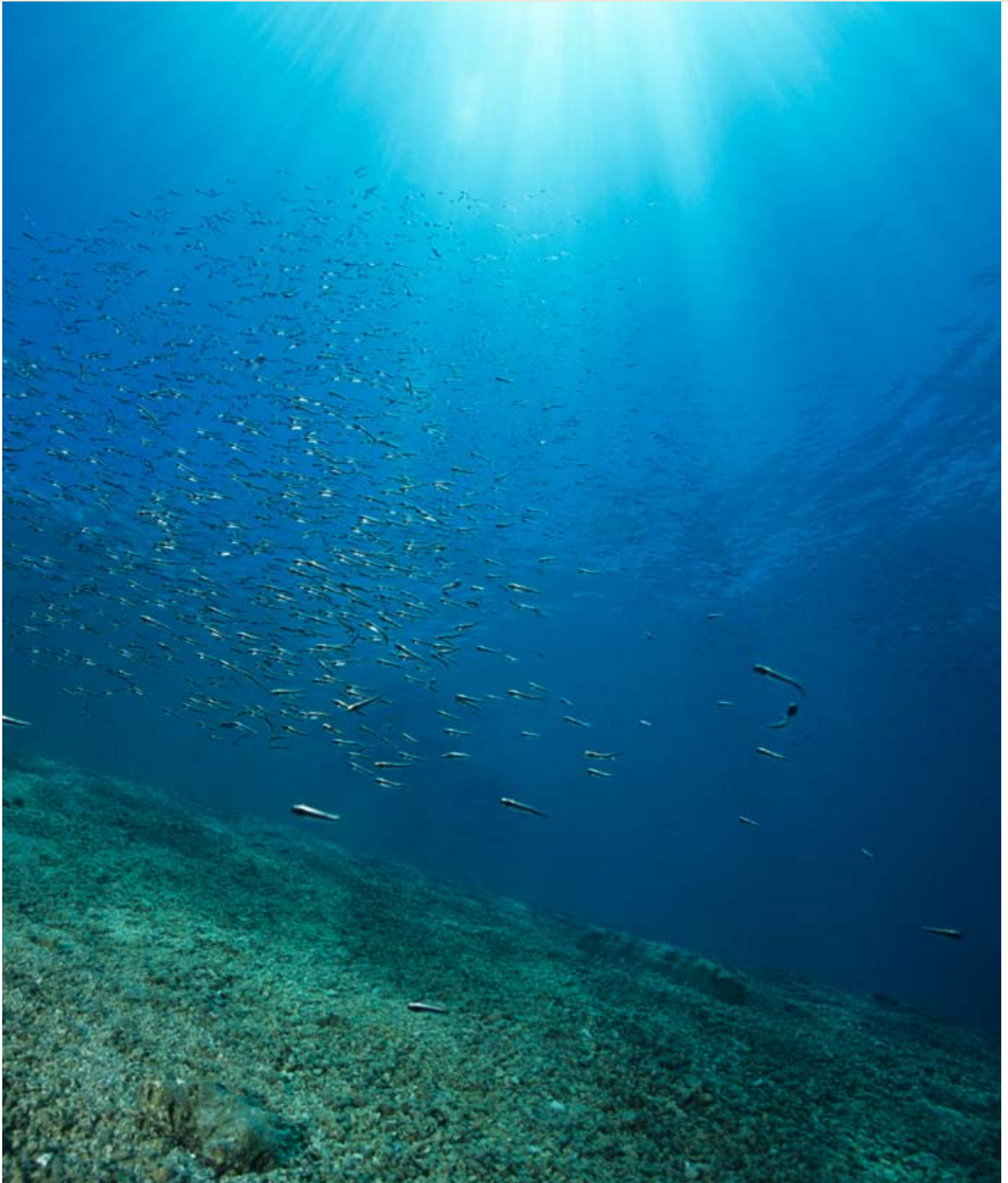
- Going forward, high demand/ limited capacity and improvement in operational performance will improve this
- Q3 EBITDA to double from Q2

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year of 2008 which has been prepared in accordance with IAS 34 Interim Financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 forth paragraph.

Lysaker, 14th August 2008

The Board of Directors
Reservoir Exploration Technology ASA



Reservoir Exploration Technology ASA Group

INCOME STATEMENTS

In US\$ 000'	Unaudited Quarter ended Jun 30,		Unaudited Six months ended Jun 30,		Audited Year ended Dec 31,
	2008	2007	2008	2007	2007
REVENUE:					
Sales revenue	42 890	12 509	74 469	20 922	102 048
Total revenue	4 42 890	12 509	74 469	20 922	102 048
OPERATING EXPENSES:					
Cost of sales	28 259	9 786	52 630	19 448	67 756
Selling, general and administrative cost	4 133	1 824	7 343	4 064	10 277
EBITDA	10 498	899	14 496	-2 590	24 015
Depreciation	11 048	2 596	19 199	6 518	23 677
OPERATING PROFIT	4 -550	-1 697	-4 704	-9 108	338
FINANCIAL INCOME AND EXPENSES:					
Financial income	148	199	290	410	1 435
Financial expenses	-3 944	-3 954	-16 727	-4 732	-20 279
Net financial items	-3 796	-3 755	-16 437	-4 322	-18 844
Net result before variances on derivative of convertible bond (CB)					
	-4 346	-5 453	-21 141	-13 430	-18 506
Variance on derivative of CB	0	-4 431	3 264	-8 580	-1 793
NET RESULT BEFORE TAX	-4 346	-9 884	-17 877	-22 009	-20 300
Income tax expense (benefit)	-25	-168	-546	-298	-3 238
NET PROFIT (LOSS)	-4 321	-9 716	-17 331	-21 711	-17 063
Earnings per share (US\$) - Basic	-0,16	-0,38	-0,63	-0,85	-0,66
Earnings per share (US\$) - Diluted	-0,16	-0,38	-0,63	-0,85	-0,66
Average shares outstanding	26 683 643	25 552 020	27 534 895	25 552 020	25 763 900
Average shares outstanding - Diluted	29 837 291	30 110 471	30 732 072	30 110 471	29 631 224

Reservoir Exploration Technology ASA Group

BALANCE SHEETS

In US\$ 000'	Unaudited June 30, 2008	Audited December 31, 2007
ASSETS		
Non-current assets:		
Deferred tax asset	8 939	8 393
Multiclient library	4 511	4 489
Other intangible assets	3 954	1 458
Seismic equipment	2 181 724	119 939
Investment in equity accounted investees	5 18 840	17 386
Other fixed assets	175	175
Total non-current assets	218 144	151 840
Current assets:		
Accounts receivable	43 877	34 615
Other current assets	22 033	23 296
Total receivables	65 911	57 911
Cash and cash equivalents	7 077	32 511
Total current assets	72 988	90 422
Total assets	291 132	242 262

In US\$ 000'	Unaudited June 30, 2008	Audited December 31, 2007
EQUITY AND LIABILITIES		
Shareholders' equity:		
Paid in capital:		
Share capital	438	408
Share premium reserve	124 859	110 051
Share capital under registration	0	10 000
Other equity	46 749	6 954
Accumulated profits		
Retained earnings/(loss)	-68 932	-51 596
Total equity	103 114	75 817
Long-term liabilities:		
Convertible bond	10 098	12 940
Fair value of conversion right CB	0	15 625
Bond loan	109 096	29 744
Capital lease obligations	16 546	5 820
Total long-term liabilities	135 739	64 129
Current liabilities:		
Bank overdraft	16 045	0
Bond loan	0	72 383
Short term interest bearing debt	1 367	2 733
Accounts payable	28 793	20 449
Other current liabilities	6 074	6 752
Total current liabilities	52 279	102 317
Total liabilities	188 018	166 446
Total equity and liabilities	291 132	242 262

Reservoir Exploration Technology ASA Group

CASH FLOW STATEMENTS

In US\$ 000'	Quarter ended Jun 30,		Six months ended Jun 30,		Year ended Dec 31,
	2008	2007	2008	2007	2007
	Unaudited	Audited	Unaudited	Audited	Audited
Cash flow from operating activities:					
Net result before income taxes	(4 346)	(9 884)	(17 877)	(22 009)	(20 300)
Depreciation	11 048	2 596	19 199	6 518	23 677
Fair value of conversion right CB	0	4 431	(3 264)	8 580	1 793
Changes in current assets/ liabilities	14 140	(25 150)	11 019	(34 414)	(34 807)
Net finance expense	3 796	3 755	16 437	16 437	18 844
Equity-settled share-based payments	609	0	1 024	0	1 119
Income tax paid	0	0	0	0	1 231
Net cash flow from operating activities	25 247	(24 251)	26 539	(24 889)	(8 443)
Cash flow from Investing activities:					
Investments in multi-client library	0	0	0	(1 835)	(4 489)
Interest received	148	199	290	410	1 435
Equity investment	0	0	0	0	(7 386)
Purchase of seismic equipment	(33 015)	(12 109)	(57 113)	(40 865)	(75 693)
Prepaid seismic equipment	0	0	0	0	(1 458)
Net cash flow from investing activities	(32 867)	(11 910)	(56 823)	(42 291)	(87 591)
Cash flow from financing activities:					
Proceeds from new equity raised	4 570	1 437	4 834	1 437	6 519
Proceeds from debt raised	10 516	66 882	10 726	71 156	101 238
Payment of interest	(3 809)	(1 026)	(8 077)	(1 135)	(7 857)
Payment of debt	(1 333)	(683)	(2 633)	(1 594)	(6 879)
Net cash flow from financing activities	9 944	66 610	4 850	69 864	93 021
Cash balance:					
Net change in cash	2 325	30 448	(25 434)	2 684	(3 012)
Cash beginning of period	4 753	7 760	32 511	35 523	35 523
Cash end of period	7 077	38 207	7 077	38 207	32 511

Changes in Equity

	Unaudited	Audited
	Jun 30,	Dec 31,
In US\$ 000'	2008	2007
Opening balance	75 817	70 968
Not paid in capital	0	10 000
Share issue	1 036	1 030
Net result	-17 335	-17 063
Share options	1 024	1 119
Forex, gain on new functional currency	25 522	0
De-recognition of conversion right CB	13 252	0
Currency adjustments subsidiaries	-39	0
Conversion of CB	3 839	9 760
Equity per period end	103 114	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	113	57 000	57 113
Disposals			
Change in functional currency	95	24 265	24 360
Acquisition cost at 30.06.2008	1 409	241 532	242 941
Accumulated depreciation and impairment losses			
01.01.2008	391	41 139	41 530
The year's depreciation	190	19 498	19 688
The year's impairment losses			
Accumulated depreciation and impairment test 30.06.2008	581	60 637	61 218
Net carrying amount 30.06.2008	828	180 895	181 724

During mobilisation, all direct costs are accrued, including depreciation. For first half 2008, US\$ 489 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 55 have been fully depreciated as at 30 June 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 company 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 Jun. 2008
Unsecured			
Bond loan (MNOK 400)	10,36 %	2011	77 337
Bond loan (MNOK 165)	10,93 %	2012	31 759
Convertible bonds (CB)	5,00 %	2011	10 098
Fair value of conversion right CB		2011	0
Total unsecured long-term debt			119 193
Secured			
Loan from vendor			1 367
Capital lease obligations	9,80 %	2010	16 546
Total secured long-term			17 913
1st year's principal repayments on long-term debt			-1 367
Total long-term debt excl. the 1st year's principal repayments			135 739

The rate of interest is a calculated weighted average.

Convertible bonds:

At June 30th, 2008, there were 90.223.493 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 2.255.587 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 June 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 Jun 30, 2008	Americas	EAME	Total
Revenue	19 047	23 843	42 890
Operating profit/ loss	5 759	-6 309	-550
Depreciation	2 423	8 625	11 048
Six months ended Jun 30, 2008	Americas	EAME	Total
Revenue	31 071	43 398	74 469
Operating profit/ loss	7 935	-12 639	-4 704
Depreciation	4 427	14 772	19 199

NOTE 5 CHANGE IN FUNCTIONAL CURRENCY IN RXT ASA 1 APRIL

In US\$ 1,000

The table below shows the balance sheet as per March 31, 2008 and April 1, 2008 – before and after the change of functional currency in RXT ASA:

In US\$ 000'	April 1, 2008	March 31, 2008
ASSETS		
Deferred tax asset	8 915	8 915
Long term assets	185 652	160 341
Other current assets	70 011	69 839
Cash and cash equivalents	4 752	4 752
TOTAL ASSETS	269 329	243 847
EQUITY AND LIABILITIES		
Equity	102 408	63 674
Bond loan	108 633	108 633
Convertible bond	13 840	13 840
Fair value of conversion right CB	0	13 252
Other long-term liabilities	5 577	5 577
Short term interest bearing debt	2 050	2 050
Current liabilities	36 821	36 821
TOTAL EQUITY AND LIABILITIES	269 329	243 847

CONTACTS:

Odd Erik Rudshaug

Michael Scott

Phone: +47 67 82 85 00

www.rxt.com

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.