

# 1st Quarter 2009

## Reservoir Exploration Technology ASA

19th May 2009

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The future is on the seafloor

RESERVOIR EXPLORATION TECHNOLOGY

# DISCLOSURE

- This presentation includes and is based on, among other things, forward-looking information and statements.
- Such forward-looking information and statements are based on the current expectations, estimates and projections of RXT or assumptions based on information available to the company.
- Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions.
- RXT cannot give any assurance as to the correctness of such information and statements.

# 1st Quarter Headlines

- Record quarter
  - Revenue \$59.5m
  - EBITDA \$15.0m
- Cost savings program implemented, and focus on operational efficiency
- Bondholders approve changes to loan terms
- Private placement of NOK 256m in April 2009

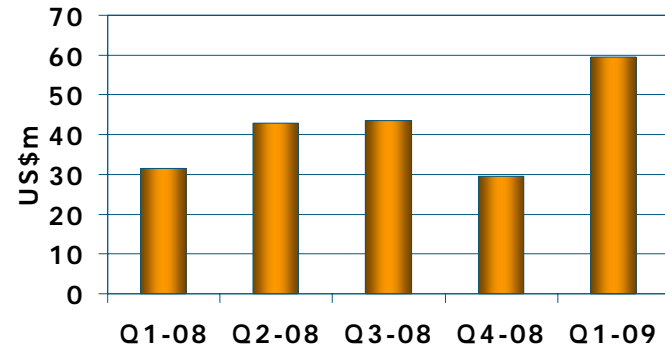
# Operations

- RXT1
  - Decommissioned in January 2009. Equipment warehoused.
- RXT2
  - Slightly behind production targets.
- RXT3
  - Program in Caspian Sea completed in mid May 2009
  - Vessels being de-rigged and delivered back to vessel owners, seismic equipment will be stored onshore.
- RXT4
  - Production improved during Q1 2009, been at targeted production levels since February 2009.
- RXT5
  - Mobilised on the Albacora field in Brazil after clearance into Brazil in late February 2009.
  - Production good since start-up, and slightly ahead of targets.

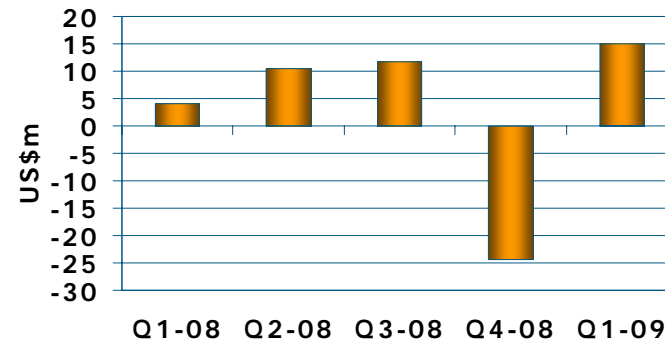
# 1st Quarter 2009 Financial Headlines

- Revenues of \$59.5m
  - Up from 29.2m in Q4 2008
    - Start-up RXT4 and RXT5
  - Up from 31.6m in Q1 2008
- EBITDA of \$15.0m
  - Up from minus 24.2m in Q4 2008
    - Good production for RXT2, RXT3 and RXT4, and for RXT5 since start-up in February
  - Up from 4.0m in Q1 2008

Revenues by Quarter



EBIDTA by Quarter



# Income Statements

<b>In US\$ 000'</b>		<b>Unaudited Quarter ended 31 Mar</b>		<b>Audited Year ended Dec 31, 2008</b>
		<b>2009</b>	<b>2008</b>	
<b>REVENUE:</b>				
Sales revenue	4	59 537	31 579	147 242
<b>Total revenue</b>		<b>59 537</b>	<b>31 579</b>	<b>147 242</b>
<b>OPERATING EXPENSES:</b>				
Cost of sales		41 576	24 371	131 155
Selling, general and administrative cost		3 004	3 211	14 266
<b>EBITDA</b>		<b>14 957</b>	<b>3 997</b>	<b>1 821</b>
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
<b>OPERATING PROFIT</b>	<b>4</b>	<b>3 237</b>	<b>-4 154</b>	<b>-61 041</b>
<b>FINANCIAL INCOME AND EXPENSES:</b>				
Net foreign exchange gain (loss)		-7 374	-9 127	40 516
Financial income		74	141	721
Financial expenses		-3 689	-3 507	-17 330
<b>Net financial items</b>		<b>-10 989</b>	<b>-12 493</b>	<b>23 907</b>
<b>Net result before variances on derivative of convertible bond (CB)</b>		<b>-7 752</b>	<b>-16 647</b>	<b>-37 134</b>
Variance on derivative of CB		0	3 264	3 264
<b>NET RESULT BEFORE TAX</b>		<b>-7 752</b>	<b>-13 383</b>	<b>-33 870</b>
Income tax expense (benefit)		122	-521	11 956
<b>NET PROFIT (LOSS)</b>		<b>-7 873</b>	<b>-12 862</b>	<b>-45 826</b>
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



# Balance Sheet

<b>In US\$ 000'</b>	<b>Unaudited 31 Mar 2009</b>	<b>Audited 31 Dec 2008</b>
<b>ASSETS</b>		
Long term assets	216 353	219 567
Other current assets	62 180	47 592
Cash and cash equivalents	10 191	9 916
<b>TOTAL ASSETS</b>	<b>288 724</b>	<b>277 076</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	47 271	53 584
Convertible bond	11 455	10 719
Bond loan with warrants	26 386	24 588
Bond loans	83 346	79 432
Financial lease obligations	6 925	7 263
Deferred tax liabilities	4 162	4 157
Short term interest bearing debt	22 451	20 171
Current liabilities	86 730	77 161
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>288 724</b>	<b>277 076</b>

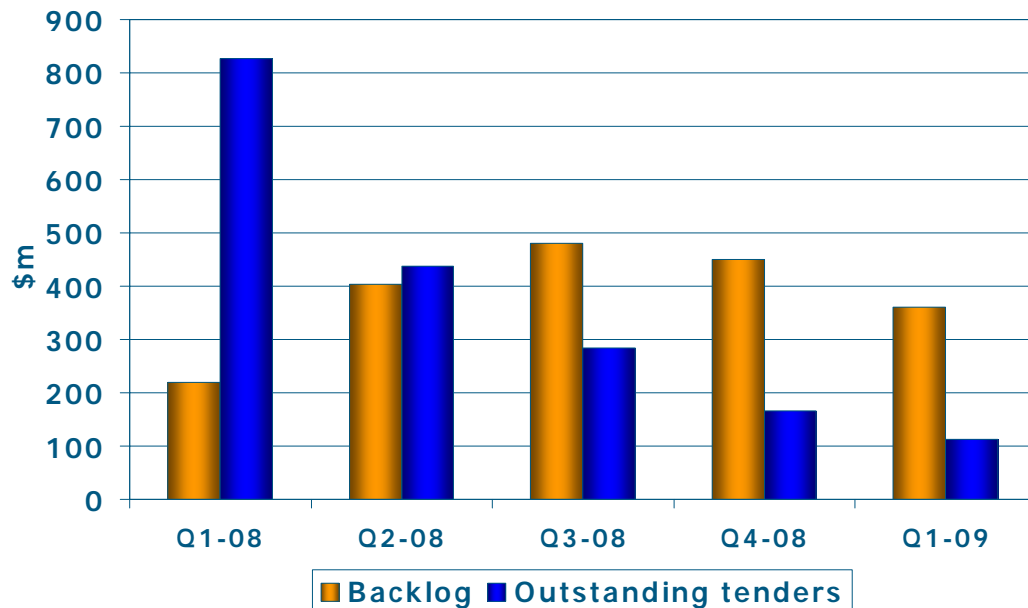
# Cash Flow

In US\$ 000'	Unaudited Quarter ended 31 Mar		Audited Year ended 31 Dec 2008
	2009	2008	
Net cash flow from operating activities	3 824	1 357	56 601
Investments in multi-client library	0	-73	-11 752
Capex	-2 904	-24 372	-132 700
Proceeds from new equity raised	235	264	20 273
Proceeds from debt raised	476	0	50 973
Other financing activities	-1 370	-4 934	-6 385
<b>Net change in cash</b>	<b>261</b>	<b>-27 758</b>	<b>-22 990</b>
Cash beginning of period	2 771	32 511	25 762
<b>Cash end of period</b>	<b>3 032</b>	<b>4 753</b>	<b>2 771</b>

# Make backlog profitable

- “Right size” the organisation
- Focus on existing capacity
- Cost reduction
- Improve operational efficiency
- Capex limited to absolute minimum

# Solid backlog - very high tendering activity



## Future opportunities:

- Kashagan
- Gulf of Mexico
- Abu Dhabi
- Saudi Arabia
- Brazil

# Summary

- \$360m backlog with blue chip clients
- Make backlog profitable:
  - Focus on cost reduction and improve operational efficiency
- Capex limited to absolutely minimum
- EM development suspended
- Sanco Star will be equipped as a source vessel
- Prepare for future opportunities – large tenders coming in 2009