

2nd Quarter 2011

Reservoir Exploration Technology ASA

11th August 2011

Stein Hedemark, CEO



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.

2nd Quarter Headlines

- Negative EBITDA due to RXT5 8 weeks without contract and low revenue on contract in Cameroon.
- EBITDA minus USD 13.6 million
- Two contract awards in West Africa securing 6 months work
- Good production for RXT1/4
- MoU signed with Brazilian Georadar to establish co-operation in selected markets
- Final contract with Georadar expected to be signed this week

GEO RXT – JV between RXT and Georadar

- To be developed to an stand alone activity with all necessary resource to run an international OBC company
- Georadar will invest USD 30 million in the co-operation
 - USD 20 million in the JV
 - USD 10 million to RXT ASA
- RXT will contribute with seismic equipment used by RXT 5 in Brazil and Brazilian subsidiary
- Both T/C's on vessels and seismic crew will be transferred to the JV in due course
- Ownership Georadar 55% and RXT 45%
- JV will have exclusive rights to develop South America, Middle East and Angola
- Mr. Celso Magalhães, founder of Georadar will be CEO of the JV
- The JV will have agreements with RXT where RXT will support the operation of the crew
- RXT main focus will be on North Sea, GoM and West Africa with the exception of Angola.

GEORADAR IS A MAJOR O&G SERVICES COMPANY IN BRAZIL WITH LEADING POSITION IN SEISMIC AND ENVIRONMENTAL SERVICES...

Company highlights



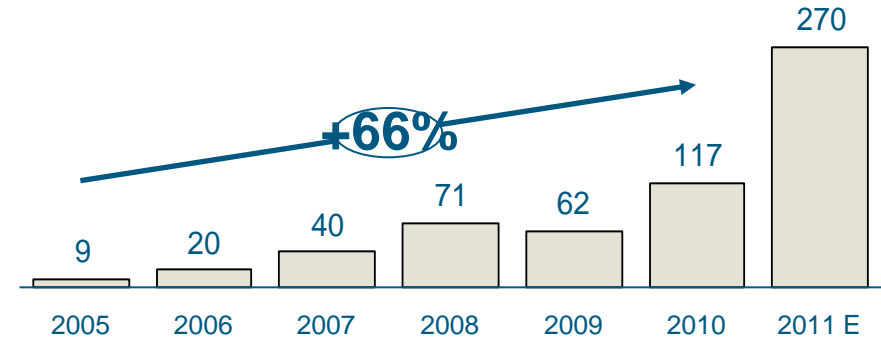
- Brazilian company founded in 1999 in Minas Gerais
- Five business lines:
 - **Onshore seismic:** leader in the sector with more than 12,000 km of 2D seismic acquisitions and 2,500 km² of 3D
 - **Offshore services:** owning most modern ship in Brazil for offshore services
 - **Navigation:** activities in the sector of offshore support vessels
 - **Environmental / Infrastructure:** leader in the sector, state of art laboratory for geochemical analysis
 - **Mineral assets:** Leverage Georadar's assessment capability and proprietary deal flow to develop mineral assets
- 3,300 employees



Source: Georadar, Advisia analysis

Revenues

USD Million



Competitive advantage

- Backlog of ~USD 400 MM until 2015
- Strong commercial relationship with major companies in the Oil & Gas and Mining sectors, including Petrobras, ANP, OGX, Vale
- Advanced logistics system that allows deployment and management of operations in any part of Brazil
- Flexible business platform, tailored to easily aggregate new business lines
- Extensive industry experience, structuring and operating high complexity projects

THE CREATION OF GEO RXT HAS A STRONG BUSINESS RATIONALE



Strategic fit

- Georadar strategic plans foresees investing in new business segments
- OBC acquisitions can be cross-sold to Georadar's current clients in Brazil

- RXT wants to improve its presence in Brazilian market and develop Angola
- Allows RXT to focus on North Sea, GoM and the rest of West Africa

Complementary competences

- Commercial expertise and long term relationship with major E&P Brazilian companies
- Expertise in local market issues, e.g. dealing with local suppliers and regulatory issues

- Extensive operational expertise in OBC acquisitions
- Extensive technical expertise in OBC technologies

Financials

- Available cash on Balance Sheet from last round of fund raising
- Strong cash flow to support Geo-RXT operations

- Cash injection speeds up the possibility to do investments for future operations



- RXT1/RXT4
 - The two crews has been operating as one super crew in West Africa
 - Completed one small survey on time and commenced a four month survey for Afren Energy Resources
 - Excellent HSE performance
 - Can be split into two crews when market requires more capacity
- RXT5
 - Good production in Brazil
 - Excellent HSE performance
 - Project for Petrobras successfully completed in late April
 - Expected to go back to Brazil as part of agreement with Georadar

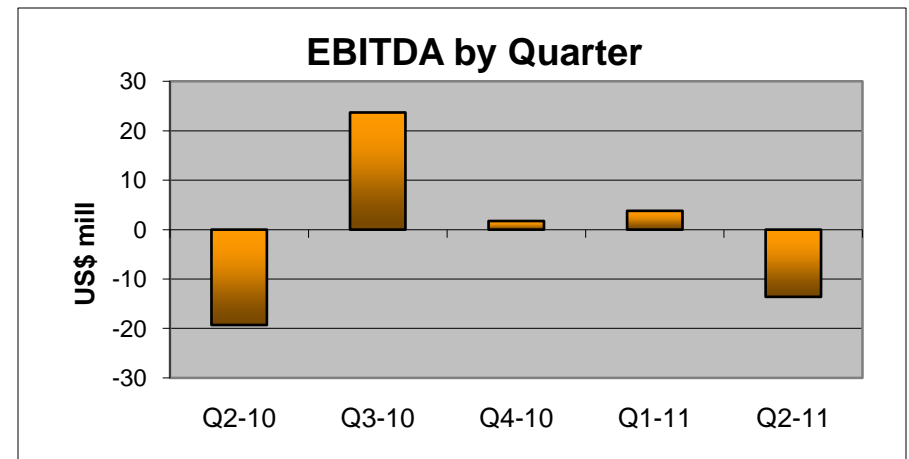
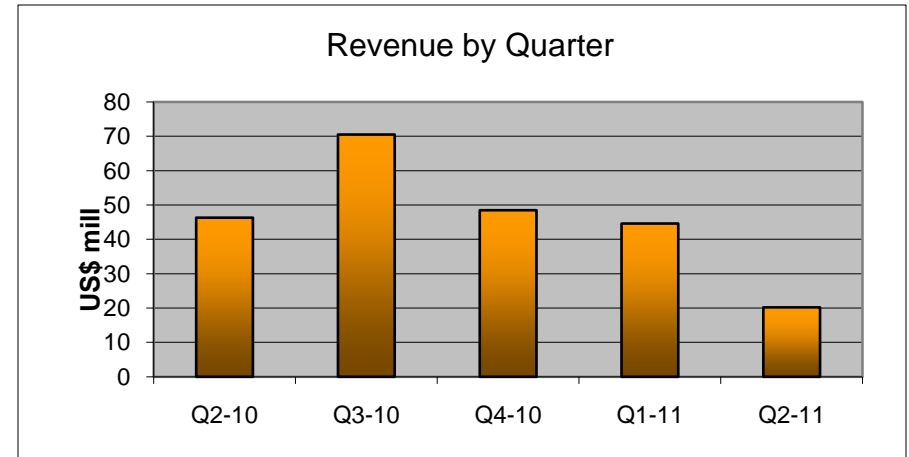
Flexibility in Operations

- RXT currently has 2 crew operations with flexibility to expand
 - RXT 1 Ocean Pearl; Source and Cable Handler } Currently Paired Operation
 - RXT 4 Vikland; Source and Cable Handler }
 - RXT 5 Sanco Star; Cable Handler } Will be in the JV with Georadar
 - RXT 5 Ocean Europe; Source }
- This flexibility allows RXT to operate 1 or 2 crews in addition to the crew that will be a part of the JV with Georadar.



2nd Quarter 2011 Financial Headlines

- Revenues of \$20.2m
 - Down from \$44.6m in Q1 2011
 - RXT1 and RXT4 operated in West Africa as combined crew on two projects
 - RXT5 operated in Brazil till end April
 - Down from \$46.3m in Q2 2010
- EBITDA of minus \$13.6m
 - Down from \$3.9m in Q1 2011
 - Amortised capitalized mob cost charged with \$0.2 million in the quarter
 - Up from minus \$19.3m in Q2 2010



2nd Quarter 2011 Financial Headlines

- Net profit
 - minus \$ 21.2 (\$ 16.8 million)*
 - Net profit includes effects from adjusting the anti-dilution liability of \$ 0.2 million and exchange loss of \$ 1.5 million.
- Cash
 - \$ 4.0 million (\$ 3.3 million)
- Equity
 - \$ 40.0 (\$ 83.2 million)
 - \$ 16 million anti dilution liability will be added to equity when executed or expired
- Long term interest bearing debt
 - \$ 3.2 million (\$ 2.8 million)



* Effected by gain from financial restructuring

Income Statements

In US\$ 000'		Unaudited Quarter ended Jun 30		Unaudited Six months ended Jun 30	
		2011	2010	2011	2010
REVENUE:					
Sales revenue	5	20 197	46 323	64 840	79 838
Total revenue		20 197	46 323	64 840	79 838
OPERATING EXPENSES:					
Cost of sales		31 038	61 969	68 015	118 741
Selling, general and administrative cost		2 749	3 650	6 556	7 698
EBITDA		(13 590)	(19 296)	(9 731)	(46 601)
Result (loss) from equity accounted investees		-	-	-	-
Impairment charges		-	1 845	-	1 845
Amortisation intangible assets		-	-	-	-
Depreciation	3	5 509	7 506	11 223	15 082
OPERATING PROFIT	5	(19 099)	(28 647)	(20 954)	(63 528)
FINANCIAL INCOME AND EXPENSES:					
Net foreign exchange gain (loss)		(1 535)	(4 145)	(3 034)	(4 385)
Financial income		8	6	21	13
Financial expenses		(617)	(1 989)	(1 002)	(5 327)
Other financial income (expense)		-	-	-	-
Net financial items		(2 145)	(6 128)	(4 016)	(9 699)
Net result before variances on financial derivat./restruct.		(21 244)	(34 775)	(24 970)	(73 227)
Gain (loss) on financial derivatives		323	8 018	(891)	(6 234)
Gain (loss) on restructuring		-	44 308	-	44 308
NET RESULT BEFORE TAX		(20 921)	17 551	(25 861)	(35 153)
Income tax expense (benefit)		277	793	1 946	1 818
NET PROFIT (LOSS)		(21 198)	16 758	(27 807)	(36 971)

Balance Sheet

In US\$ 000'	Unaudited Jun 30 2011	Unaudited June 30 2010	Audited Dec 31 2010
ASSETS			
Non-current assets:			
Multiclient library	10 016	12 520	10 016
Other intangible assets	-	110	-
Seismic equipment	3 55 841	96 753	65 627
Investment in equity accounted investees	-	2 667	-
Total non-current assets	65 857	112 050	75 643
Current assets:			
Accounts receivable	6 001	25 774	17 746
Other current assets	2 4 340	8 232	4 563
Cash and cash equivalents	4 035	3 268	17 600
Restricted cash	2 295	499	1 558
Total current assets	16 671	37 773	41 467
TOTAL ASSETS	82 528	149 823	117 110

Balance Sheet

In US\$ 000'	Unaudited Jun 30 2011	Unaudited June 30 2010	Audited Dec 31 2010
EQUITY AND LIABILITIES			
Shareholders' equity:			
Paid in capital:			
Share capital	148 660	148 660	148 660
Share premium reserve	82 340	82 340	82 340
Other equity	38 815	38 558	38 665
Translation differences			
Translation differences	(11 849)	(13 211)	(12 974)
Accumulated profits			
Retained earnings/(loss)	(217 974)	(173 140)	(190 167)
Total equity	39 992	83 207	66 524
Long-term liabilities:			
Financial liability anti-dilution mechanism	4 -	4 461	-
Bond loan with warrants	4 180	117	149
Bond loans	4 3 007	2 493	2 766
Financial lease obligation	-	285	-
Deferred tax liabilities	40	35	38
Total long-term liabilities	3 227	7 391	2 953
Current liabilities:			
Financial liability anti-dilution mechanism	4 16 046	7 434	13 906
Bond loans	-	-	-
Financial lease obligation	404	4 860	2 803
Accounts payable	9 559	25 014	11 131
Other current liabilities	2 13 300	21 917	19 793
Total current liabilities	39 309	59 225	47 633
Total liabilities	42 536	66 616	50 586
TOTAL EQUITY AND LIABILITIES	82 528	149 823	117 110



Cash Flow

In US\$ 000'	Unaudited Quarter ended Jun 30		Unaudited Six months ended Jun 30	
	2011	2010	2011	2010
Cash flow from operating activities:				
Net result before income taxes	(20 921)	17 552	(25 861)	(35 152)
Depreciation and amortisation	5 509	7 506	11 223	15 082
Impairment	-	1 845	-	1 845
Fair value of conversion right CB/Restruct effects	(323)	(52 326)	891	(38 074)
Changes in current assets/ liabilities	7 809	(6 676)	659	15 411
Net finance expense	2 145	6 128	4 016	9 699
Equity-settled share-based payments	39	135	150	415
Share of loss (profit) of equity accounted investees	-	-	-	-
Income tax paid	(277)	(793)	(1 946)	(1 818)
Net cash flow from operating activities	(6 018)	(26 629)	(10 867)	(32 592)
Cash flow from Investing activities:				
Investments in multident library	-	-	-	-
Interest received	8	6	21	13
Purchase of seismic equipment	-	(616)	(217)	(1 107)
Sale of seismic equipment	-	-	-	-
Investment in EM development	-	-	-	-
Net cash flow from investing activities	8	(610)	(196)	(1 094)
Cash flow from financing activities:				
Proceeds from new equity raised	-	36 150	-	36 150
Proceeds from debt raised	-	-	-	5 000
Net change in credit facility	-	-	-	-
Payment of interest	(156)	(1 206)	(312)	(2 332)
Payment of debt	(1 095)	(7 222)	(2 190)	(8 801)
Net cash flow from financing activities	(1 251)	27 722	(2 502)	30 017
Cash balance:				
Net change in cash	(7 262)	483	(13 565)	(3 668)
Cash beginning of period	11 296	2 784	17 600	6 936
Cash end of period	4 035	3 268	4 035	3 268



Financial Outlook

- Strict cost control to adjust to our current and planned activity
 - One crew will remain in RXT and one crew transferred to JV
- Maintain flexibility in cost base
- Capex in 2011 will be driven by market demand
- Focus on cash flow
 - Agreement with Georadar will give cash injection of USD 10 million to RXT
 - Cash flow from current project is good
 - Cash flow from operations expected to be positive for the rest of 2011

Market trends

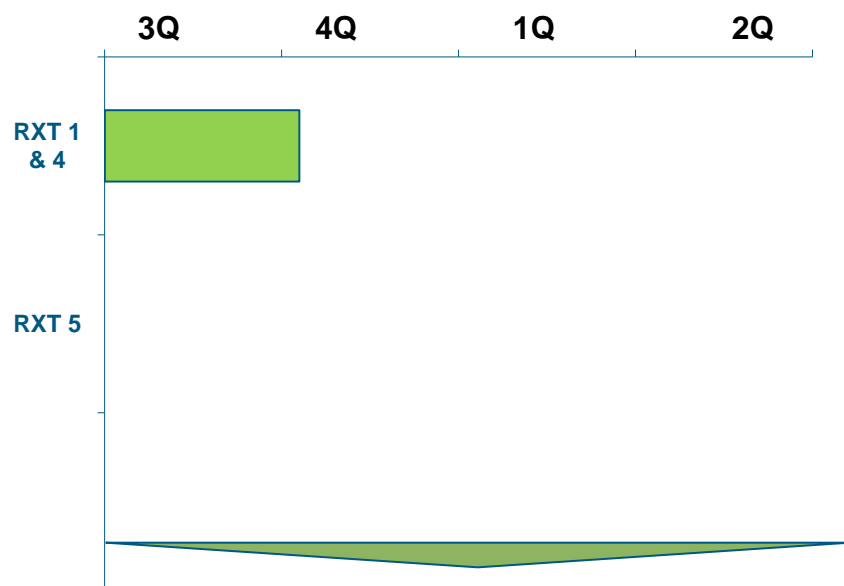
- Oil companies are facing increasing challenges
 - Developing new discoveries
 - Maintaining production from maturing producing field
 - Biggest challenge in deeper water with complex geology and high drilling cost.
- High quality data is playing a key role
 - Optimal appraisal and development of discoveries
 - De-risking production increases when drilling new wells.
 - Arrest declining production from mature fields.
- High Definition 3D Ocean Bottom Seismic (HDOBC) is becoming a strong competitor to towed streamer acquisition where high definition surveys for appraisal and production drilling is needed.
- RXT's HDOBC delivers the data these operators need in these obstructed, and challenging environments.

Market Outlook

- Africa
 - Strong interest for high quality 4C data
 - RXT has build up a strong client base through several successful projects
 - In negotiations with several oil companies for significant work in Nigeria
- North Sea
 - North Sea activity is high, several tenders expected to come out for 2012 work
- Gulf of Mexico
 - Increased demand for high quality data prior to lease sales expected to drive need for OBC
 - In discussions about potential long term contract with 2011 start-up
- Brazil
 - JV with Georadar with increased local content will improve the position in Brazil
 - Expected to be back in Brazil before end 2011
- Others
 - Increased demand for 4C seismic data in Middle East

CONTRACT BACKLOG AND TENDERS

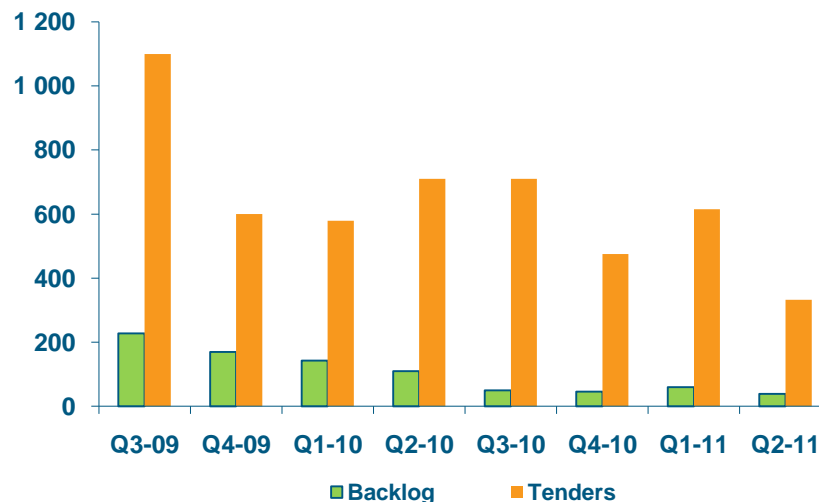
Current contract coverage



- The total backlog approximately USD 39m
- Oil companies in need for high quality seismic data to solve geological challenges
- High activity in West Africa and North Sea expected to improve backlog
- Expect to be operating in Brazil before end of 2011



Quarterly backlog and outstanding tenders (USDm)



- The total tenders outstanding currently amounts to USD 333m
- The outstanding tenders in 2011 with major areas
 - **Brazil**
 - **W Africa**
 - **Middle East**
 - **Gulf of Mexico**

Long term objectives

- OBC market expected to grow significantly
 - Deep water in particular
 - Atlantic corridor
 - OBC expected to grow relatively more than towed streamer
- Increase to 3-4 crews in high potential markets
 - Alone or with partners
 - Brazil and Angola together with Georadar
 - West Africa
 - North Sea
- New deep water technology
 - Operate down to minimum 2000m
 - Lower cost per cable
 - Increased efficiency with bigger footprint
 - HD data acquisition
- Target EBITDA USD 25 million per crew

RXT – Summary

- JV with Georadar reduces risk and improves our position in Brazil
- Overall market conditions improving
 - Bidding activity remains good
 - Clients expresses high satisfaction with data delivered
- Increased focus on sales and marketing
 - Strengthen sales force
 - Focus on Atlantic corridor
- Cost base aligned with the market
 - Crew 1&4 in RXT
 - Crew 5 in the JV with Georadar
 - Potential to increase to three crews in 2012
- Improved efficiency
 - Consolidation of crews gives higher cable capacity per crew
 - Higher capacity drives down acquisition cost

