

3rd Quarter 2010

Reservoir Exploration Technology ASA

17th November 2010

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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.

3rd Quarter Headlines

- EBITDA USD 24.2 million
- Best quarter in RXT history
- All three crews producing well through the whole quarter
- Excellent efficiency and lower costs in our operations
- In advanced negotiations for significant new work in Nigeria
- Clear signs of improved market conditions going forward
- Particularly strong momentum in the North Sea
- HSE performance above industry standard

Operations

- RXT1
 - Ocean Pearl started working for BP in June. Good production. Survey was completed during first week of November.
- RXT2
 - Crew demobilized and two vessels redelivered to owners. Third vessel redelivered in November after completing work in North Sea
- RXT3
 - No Vessels. Seismic equipment in the Caspian region is deployed in North Sea on Vikland.
- RXT4
 - Vikland has done two surveys for Statoil and the last one completed during first week of November.
- RXT5
 - Good production in the whole quarter
 - Will continue to work in good water depths until end of the year when the remaining deep water work is expected to be started.

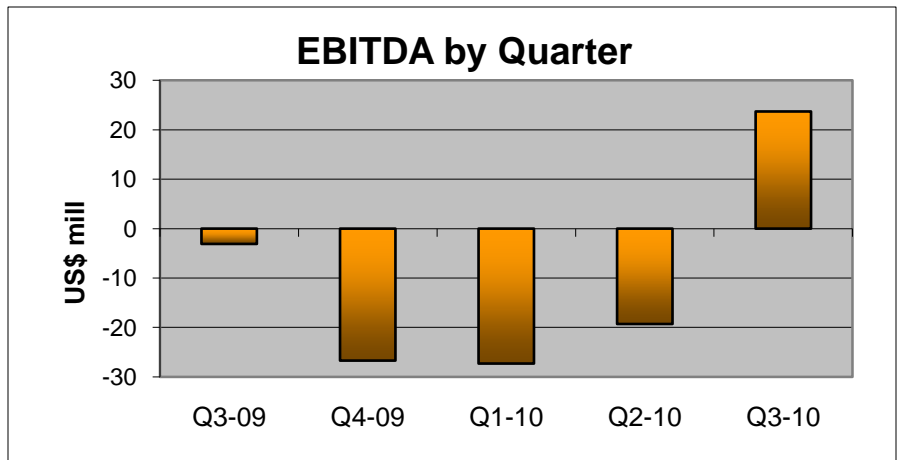
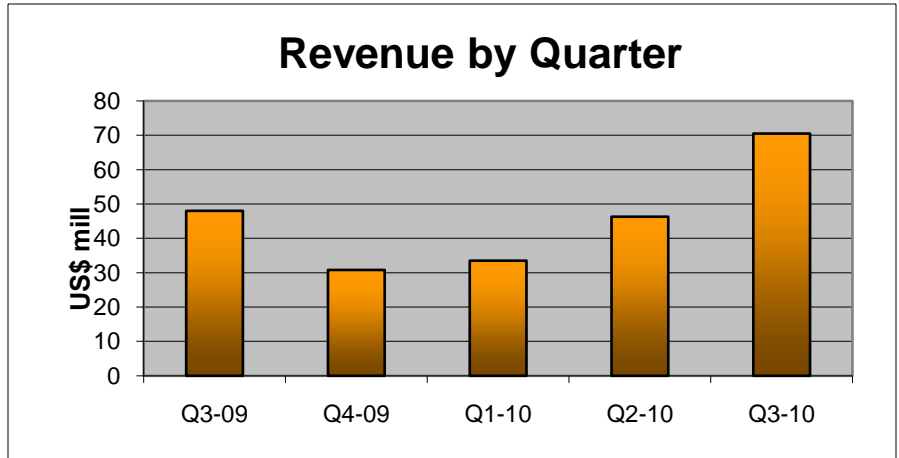
Flexibility in Operations

- RXT currently has 3 crew operations with flexibility to expand or contract these operations
 - RXT 1 Ocean Pearl; Source and Cable Handler
 - RXT 4 Vikland; Source and Cable Handler
 - RXT 5 Sanco Star; Cable Handler
 - RXT 5 Ocean Europe; Source
- } Currently Paired Operation
- This flexibility allows us to pair any combination above or operate the first 2 crews as single vessel operations



3rd Quarter 2010 Financial Headlines

- Revenues of \$70.9m
 - Up from \$46.3m in Q2 2010
 - RXT5 operating whole quarter
 - RXT1 and RXT4 operating in North Sea
 - Up from \$48.0m in Q3 2009
- EBITDA of \$24.2m
 - Up from minus \$19.3m in Q2 2010
 - Amortised capitalized mob cost charged with USD 2.6 million in the quarter
 - Mob revenue amounted to USD 3.1 million
 - Up from minus \$3.1m in Q3 2009



Cost reductions – return of vessels

Name of vessel	Date of re-delivery
Ramco Express	30 June 2010
Beulah Chouest	13 August 2010
Ark Phil	20 August 2010
Sanco Spirit	15 November 2010

Effects	
Annual cost saving	USD 28 million
Reduced off-balance liability	USD 44 million

Cost reductions - reductions in personnel

	2q09	3q09	4q09	1q10	2q10	3q10
HQ	42	42	40	36	28	30
Other on-shore	32	31	31	31	27	23
Off-shores	252	206	196	188	149	140
Total	326	279	267	255	204	193

Effects

Est. annual cost saving compared with 2q 09	USD 16 million
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Income Statements

In US\$ 000'		Unaudited Quarter ended Sept 30		Unaudited Nine months ended Sept 30	
		2010	2009	2010	2009
REVENUE:					
Sales revenue	5	70 945	47 967	150 783	195 964
Total revenue		70 945	47 967	150 783	195 964
OPERATING EXPENSES:					
Cost of sales		43 667	48 508	162 408	162 488
Selling, general and administrative cost		3 066	2 554	10 764	8 581
EBITDA		24 213	(3 095)	(22 388)	24 895
Result (loss) from equity accounted investees		(481)	-	(481)	-
Impairment charges		-	-	1 845	-
Depreciation	3	7 805	12 351	22 887	38 386
OPERATING PROFIT	5	15 927	(15 446)	(47 601)	(13 491)
FINANCIAL INCOME AND EXPENSES:					
Net foreign exchange gain (loss)		4	(929)	(4 381)	(11 602)
Financial income		151	193	164	397
Financial expenses		(611)	(5 230)	(5 938)	(13 978)
Other financial income (expense)		-	-	-	-
Net financial items		(456)	(5 967)	(10 155)	(25 183)
Net result before variances on financial derivat./restruct.		15 471	(21 412)	(57 756)	(38 674)
Gain (loss) on financial derivatives		(763)	5 157	(6 997)	(4 741)
Gain (loss) on restructuring		-	-	44 308	-
NET RESULT BEFORE TAX		14 707	(16 255)	(20 446)	(43 415)
Income tax expense (benefit)		1 475	-	3 293	(114)
NET PROFIT (LOSS)		13 232	(16 255)	(23 738)	(43 529)

Balance Sheet

In US\$ 000'	Unaudited Sept 30 2010	Unaudited Sept 30 2009	Audited Dec 31 2009
ASSETS			
Non-current assets:			
Multiclient library	12 520	12 520	12 520
Other intangible assets	122	6 971	-
Seismic equipment	3 90 625	173 794	114 800
Investment in equity accounted investees	2 447	7 257	3 000
Other fixed assets	-	175	-
Total non-current assets	105 714	200 718	130 320
Current assets:			
Accounts receivable	31 956	39 451	18 516
Other current assets	2 5 445	20 098	25 585
Cash and cash equivalents	10 933	710	6 936
Restricted cash	717	7 229	4 153
Total current assets	49 052	67 488	55 190
TOTAL ASSETS	154 766	268 205	185 510

Balance Sheet

In US\$ 000'	Unaudited Sept 30 2010	Unaudited Sept 30 2009	Audited Dec 31 2009
EQUITY AND LIABILITIES			
Shareholders' equity:			
Paid in capital:			
Share capital	148 660	2 920	6 890
Share premium reserve	82 340	36 704	85 294
Other equity	38 656	32 246	30 635
Translation differences			
Translation differences	(15 328)	(33 894)	(20 727)
Accumulated profits			
Retained earnings/(loss)	(159 908)	(12 324)	(136 169)
Total equity	94 420	25 652	(34 076)
Long-term liabilities:			
Convertible bonds	-	23 872	-
Fair value of conversion right CB	-	17 595	-
Financial liability anti-dilution mechanism	4 5 791	-	1 551
Bond loan with warrants	4 140	32 058	23 185
Bond loans	4 2 775	-	-
Financial lease obligation	-	9 563	3 981
Deferred tax liabilities	38	3 915	7 814
Total long-term liabilities	8 744	87 002	36 531
Current liabilities:			
Bank overdraft	-	8 834	-
Financial liability anti-dilution mechanism	4 8 273	-	5 113
Bond loans	-	96 656	96 813
Short term interest bearing debt	-	1 367	-
Financial lease obligation	3 981	-	4 999
Accounts payable	19 354	34 077	48 716
Other current liabilities	2 19 993	14 618	27 414
Total current liabilities	51 602	155 551	183 055
Total liabilities	60 346	242 553	219 586
TOTAL EQUITY AND LIABILITIES	154 766	268 205	185 510



Cash Flow

In US\$ 000'	Unaudited Quarter ended Sept 30		Unaudited Nine months ended Sept 30		Audited Year ended 31 Dec
	2010	2009	2010	2009	2009
Cash flow from operating activities:					
Net result before income taxes	14 707	(16 256)	(20 446)	(43 415)	(171 494)
Depreciation and amortisation	7 805	12 351	22 887	38 386	51 271
Impairment	-	-	1 845	-	61 374
Fair value of conversion right CB/Restruct	763	(5 157)	(37 311)	4 741	(10 830)
Changes in current assets/ liabilities	(14 755)	(848)	656	(47 142)	422
Net finance expense	456	5 967	10 155	25 183	64 745
Equity-settled share-based payments	98	251	513	643	910
Share of loss (profit) of equity accounted in	481	-	481	-	3 138
Gain on sale of seismic equipment	-	-	-	-	-
Income tax paid	(1 475)	-	(3 293)	(114)	(5 926)
Net cash flow from operating activities	8 080	(3 692)	(24 513)	(21 718)	(6 389)
Cash flow from Investing activities:					
Investments in multient library	-	-	-	(768)	(768)
Interest received	150	193	163	397	397
Equity investment	-	-	-	-	-
Purchase of seismic equipment	(29)	(4 928)	(1 136)	(8 796)	(13 941)
Sale of seismic equipment	-	-	-	-	-
Investment in EM development	-	(711)	-	(2 588)	(4 858)
Net cash flow from investing activities	121	(5 446)	(973)	(11 755)	(19 170)
Cash flow from financing activities:					
Proceeds from new equity raised	-	-	36 150	28 437	38 819
Proceeds from debt raised	-	-	5 000	18 641	18 641
Net change in credit facility	-	6 459	-	(4 313)	(13 147)
Payment of interest	(171)	(1 736)	(2 502)	(7 140)	(8 769)
Payment of debt	(365)	(1 671)	(9 166)	(4 212)	(5 819)
Net cash flow from financing activities	(536)	3 052	29 482	31 413	29 725
Cash balance:					
Net change in cash	7 665	(6 087)	3 997	(2 061)	4 165
Cash beginning of period	3 268	6 798	6 936	2 771	2 771
Cash end of period	10 933	710	10 933	710	6 936

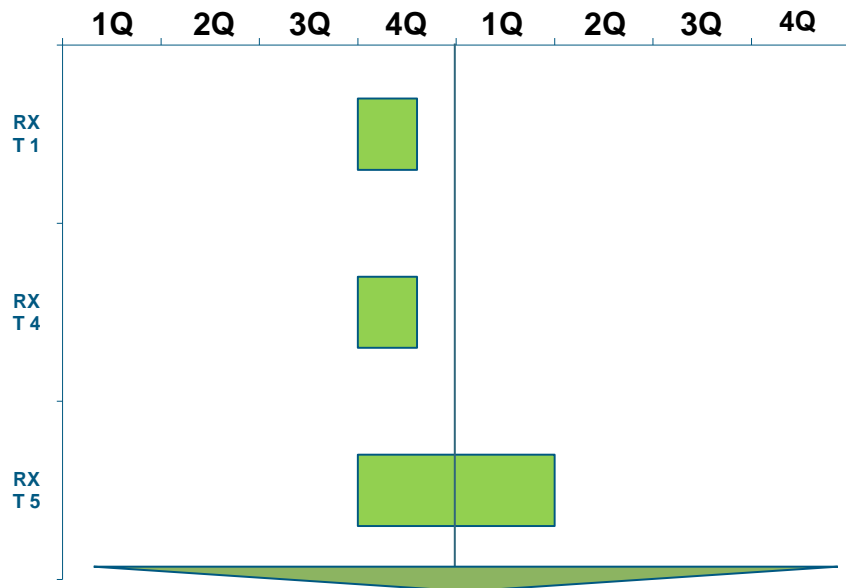


Financial Outlook

- Securing new contracts
- Keeping the production at good levels.
- Maintain flexibility in cost base
- Strict cost control to adjust to our current and planned activity
- Focus on cash flow
 - Production will slow down in Q4 and then improve from Q1
 - Transfer from North Sea to West Africa in Q4 will reduce cash flow in Q410 and impact part of Q111
 - Cash will improve from Q211 when 3rd crew will be added in North Sea
- Capex in 2011 will be driven by market demand

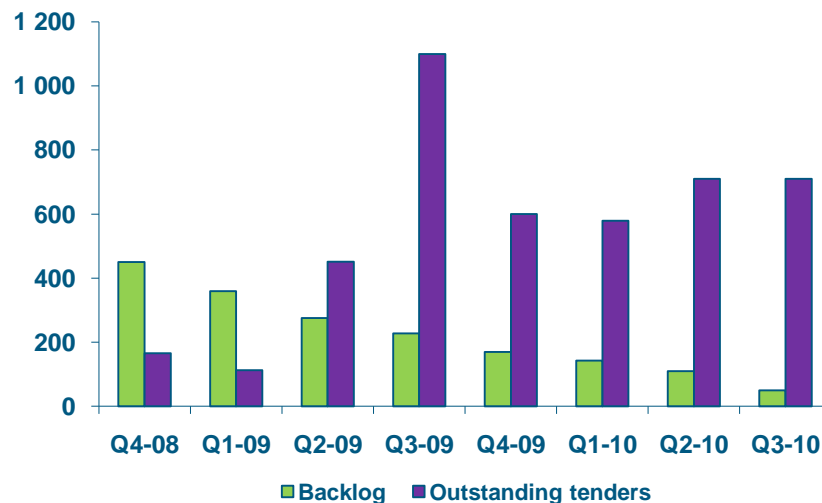
CONTRACT BACKLOG

Current contract coverage



- The total backlog is currently approximately USD 50 m

Quarterly backlog and outstanding tenders (USDm)



- The total tenders outstanding currently amounts to USD 709m
- The outstanding tenders in 2011 with major areas
 - North Sea
 - Brazil
 - Middle East
 - Gulf of Mexico
 - Caspian

Market Outlook

- \$50m backlog with blue chip clients
- \$709 million tenders outstanding
 - Several awards are expected to be made during the next three months
- Bidding activity continues at good pace particularly in the North Sea
- In advanced negotiations with several oil companies for significant work in Nigeria
- US Gulf of Mexico activity is expected to pick up in 2011 with the recent plans to move forward with some of the planned lease sales
- More and more Oil companies recognize the value of OBC acquisition, providing them with better reservoir imaging in obstructed areas

Market trends

- The easy oil has been found in many mature oil producing regions
- 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.

RXT – Summary

- Q3 2010 demonstrates RXT's ability to generate profit
- Positioned for profitability
 - Re-focused on marketing
 - Vessel opex reduced by average USD 3.7m per month
 - Close to securing satisfactory utilization
- Market improving in 2011
 - Atlantic corridor
 - Focus on high quality 3D data
 - Shift in market drivers
 - Significant number of new tenders expected

