

Attachment to stock exchange notice 7 December 2018

Appendix

This appendix forms part of the stock exchange announcement of 7 December 2018 and is prepared in accordance with the requirements of Oslo Stock Exchange Continuing Obligations section 3.4.

Description of First Geo

First Geo has for the past 20 years delivered subsurface consultancy and products to E&P companies primarily on the Norwegian Continental Shelf. The company has a team of 43 own employees and 22 hired-in consultants focusing on geophysics, geology, operation & wellsite geology, petrophysics, reservoir engineering and well management.

First Geo is the leading provider of operation and wellsite geology services on the Norwegian Continental Shelf.

The company has offices in Oslo and Stavanger.

Description of AGR

AGR is a leading well, P&A and reservoir service company delivering solutions for the entire field life cycle. The company also provides software, tailored training and consultancy manpower for its clients globally.

AGR has drilled more than 530 wells in 23 countries for 104 clients and conducted more than 1,500 reservoir studies.

The company has offices in Oslo, Stavanger, Aberdeen, Guilford, Houston, Dubai and Perth. There are more than 350 people working for AGR, of which broadly half are own employees and the remaining are hired-in consultants.

The Transaction

The transaction comprises the combination of the businesses of the AGR group and First Geo, as well as the establishment of a split economic ownership in the combined group between Akastor and the AGR stakeholders. In addition, NOK 270 million of debt of the combined company will be rolled over to the combined group, as further described below.

Prior to the closing of the transaction ("Closing"), a restructuring of the AGR group will be carried out pursuant to which substantially all assets and liabilities of the AGR business will be transferred to a new legal structure. At Closing, Akastor will acquire 100% of the shares in the holding company in the new legal structure from Silverfleet against granting an economic ownership participation to Silverfleet, and Akastor will also contribute 100% of its shares in First Geo to the new legal structure to form the combined AGR/First Geo group.

A share purchase agreement has been entered into between Akastor and the AGR stakeholders jointly, as well as an equity participation agreement and a new loan agreement. The Transaction agreements are based on the following main terms:

- **Settlement:** The companies will be merged with a net cash position of approximately NOK 24 million each, or NOK 48 million in total.

- **Ownership:** Akastor will hold 100% of the shares in the merged company and 55% of the economic interest. The AGR stakeholders will own the remaining 45% economic interest (economic interest regulated in equity participation agreement between the AGR stakeholders and Akastor). Agreed lock-up until 31 December 2021.
- **Debt:** NOK 270 million of the current debt in AGR will be rolled over in a 8 year non-recourse term loan in the merged company, of which Akastor, DNB and Nordea each will hold NOK 90 million.
 - **Amount:** NOK 270 million
 - **Interest:** 4%
 - **Tenor:** 8 year tenor
 - **Amortization:** No amortization first two years, remaining amortization on a linear 10 year amortization profile with a bullet after 8 years, and subject to NOK 50 million liquidity in the merged company
 - **Covenants:** NOK 20 million liquidity covenant, covenant waived until 2021.

Closing of the transaction is subject to approval from Norwegian competition authorities, and certain other customary conditions. Closing is expected to take place at the end of 1Q 2019.

Strategic effects of the transaction

The merged company will be a world leading provider of well management-, reservoir- and subsurface services, ranging from consultancy services to fully outsourced well and rig management projects. The company's service offering replicates that of major oil companies and covers the entire value chain from qualifications to plugging and abandonment.

With a sound balance sheet and liquidity buffer AGR group will be well positioned to grow organically and seek strategic opportunities to further consolidate the market.

Board of Directors First Geo and AGR

The current board of First Geo AS comprises the following directors:

Geir Atle Sjøberg (Chairman)
 Rune Heggernes (Director)
 Fredrik Nøvik Hunstad (Director)
 Karl Erik Kjelstad (Director)
 Børre Andreas Sveen (Director)

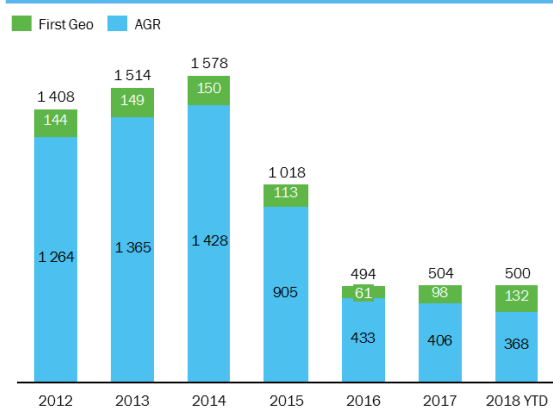
The current board of AGR Bidco AS comprises the following directors:

Adrian Michael Yurkich (Chairman)
 Svein Egil Sollund (Director)
 Snorre Woll (Director)

Key financials

<i>Consolidated pro-forma financials</i>	
Revenues 1Q-3Q	NOKm 500
EBITDA 1Q-3Q	NOKm 17.7
Employees	~ 415

Revenues (NOKm)



EBITDA (NOKm)

