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roxar
MAXIMUM RESERVOIR PERFORMANCE

Interim Report + Interim Condensed Financial Information for the period ended December 31 2008

Interim report 4th quarter 2008

Effective 25 July 2007, CorrOcean ASA acquired all the shares of Roxar AS. Subsequently, the name of the company has been changed to Roxar ASA. The 2007 numbers in this report include 5 months of the acquired Roxar AS. Proforma effects from the acquisition of Roxar AS are presented in note 5.

Condensed consolidated income statements

Fourth quarter results
Q4 2008 revenues increased by 23.4% compared to Q3 2008. YE 2008 revenue of NOK 1,365 million represents an increase of 13% over last year. This growth is driven by better performance in most business segments with a particularly strong growth in Topsides metering and software sales.

Q4 2008 operating profit (EBITDA) was NOK 79.0 million, and this represents an increase of 99% compared to Q3 2008. The company had a positive one-off EBITDA effect (non cash) from converting from a defined benefit pension scheme to a fixed contribution pension scheme of NOK 35.6 million. Adjusted for this one-off effect the EBITDA for Q4 is 9.4% higher than previous quarter.

The YE 2008 EBITDA amounted to NOK 219.2 million compared to NOK 112.4 million YE 2007 (proforma), which represents a growth of 95% and a 63% growth if one-off effects are excluded.

The hardware division altogether saw 23% higher revenue in Q4 2008 than the previous quarter. Particularly promising was that the majority of the growth came from Topside metering and Service. These are markets which generally consist of many and small orders spread across the globe, and give a good representation of the current underlying market activity. Topside and Service revenues increased by 44% and 40% respectively for the whole of 2008 (compared to 2007 proforma numbers) which indicates a strong underlying market. Subsea had a soft performance for the quarter and the year. However, the Subsea market looks strong and Roxar has announced several orders around the year end, and as such we expect this segment to improve going forward.

Q4 2008 EBITDA for hardware came in at NOK 57.6 million and excluding one-off effects from pension scheme conversion mentioned above, the EBITDA was NOK 34,6 million which represents a growth over previous quarter of 86.4% and 12.0% respectively.

The software division had a strong revenue performance in Q4, with growth of 24.9% over previous quarter. Most encouraging has been the 59% growth in sales and leases for 2008, which demonstrates the strong demand for Roxar's software solutions. YE 2008 revenues amounted to NOK 372.0 million, and this represents an increase of 32% compared to same period in 2007 (proforma). The software Q4 EBITDA of NOK 29.4 million was weaker than expected, and adjusted for one-off effects from pension scheme conversion mentioned above, the EBITDA was NOK 20.3 million. There is not one single explanation for the weaker margin in Q4, but the majority of factors relates to higher cost of sales and accruals of bonus/sales commissions to employees. YE EBITDA came in at NOK 102.5 million, and adjusted for one-off effects the EBITDA was NOK 93.4 million, which gives a margin of 28% and 25% respectively.

Net financial cost in Q4 2008 amounted to NOK 197.9 million compared to a net financial cost of NOK 102.9 million in Q3 2008. Most of this shortfall stems from a NOK 146 million unrealised loss related to the USD debt, see note 3 for details. For 2008, Roxar had a net financial cost of NOK 307.9 million, of which NOK 140.7 million is related to unrealised loss on USD debt.

The company's USD denominated debt is reduced from USD 184 million to USD 102.6 million throughout 2008. The conversion of USD debt to NOK debt was done at favourable exchange rates. Hence, in spite of the latest strengthening of the USD, the company's total debt is, when converted to NOK, the same as at the time the company was refinanced in the summer of 2007. Over time, a strengthening of the USD/NOK ratio will have a positive effect on Roxar's operating profit.

Operating cash flow from Q4 2008 was NOK 65.5 million compared to NOK 61.7 million for Q3 2008. YE 2008 operating cash flow increased by 32% compared to YE 2007. YE 2008 operating cash flow of NOK 198.3 million compared to EBITDA adjusted for non cash pension effect of NOK 183.7 million is a strong performance, particularly when the revenue growth for 2008 was 13%.

Net cash was reduced by NOK 10.6 million in Q4 2008, including repayment of debt of NOK 28.9 million. Net cash for full year 2008 was reduced by NOK 39.7 million, including debt instalments and acquisition of PolyOil Ltd. Roxar focus continuously on optimising cash flows, however, we will see cash flows continue to fluctuate somewhat as a result of changes in activity levels and product mix.

Operations and outlook

Overall
The market for Roxar's products has been relatively stable with a positive underlying growth in 2008. In particular, we have seen a weaker than expected growth in the Subsea market, predominantly as a consequence of delays in schedule on major projects. The underlying positive trend is that nearly all areas of Roxar, with the exception of Subsea, showed positive growth in 2008. Subsea projects often consist of large and binary contracts, whilst the rest of Roxar's business consists of smaller orders scattered over the entire globe. The growth seen in Topside, Downhole and Software sales therefore demonstrates a strong and global demand for Roxar's technology.

The growth in Service revenue demonstrates the company's ability to grow its global organisation and execute its business plans to take advantage of the underlying market growth.

In general, Roxar has never had a stronger strategic position, with a wide product portfolio, a proven track record and a long standing business relationship with its clients.

Hardware Division (proforma discussion)

Topside
Topside metering grew by 44% in 2008. Generally, the topside market consists of many small orders and potentially a few large orders in Saudi Arabia. The growth observed in Topside this year comes without any large contracts in Saudi Arabia. Roxar has been effective throughout the year in securing orders and holding on to its dominant position in a growing global market. Future technology adaptation is expected to take place in the global client base.

The topside market in general may be impacted by deferral of some projects with large OPEC producers, but this should have a smaller effect on Roxar sales. Roxar's large and global client base is expected to continue its technology adoption in 2009 and 2010 as Topside instrumentation investments are relatively small, and payback fast and significant.

Subsea
The Subsea market has been relatively soft for the last 18 months, predominantly due to delays in projects. Roxar has seen an increase in orders throughout second half of 2008 and we observe a strong underlying market. The market has come from a situation with strong underlying growth and a growing latent demand as a result of delays. The financial crisis must be expected to impact projects with smaller operators, which depend on the financial market for financing. However, we believe that the latent demand, underlying growth and increased technology adoption will more than outweigh any impact of financial turmoil in 2009 and 2010.

Downhole
The target for the Downhole business in 2008 was to consolidate the nearly 50% growth the business had in 2007. The 4% revenue growth for 2008, means that this target was met. The Downhole business has become more geographically diversified and works on longer term contracts. The business also has a strong technology development pipeline and continued growth is expected as a result of this.

Services
The hardware service business had a 40% growth in revenue for 2008. The business had a new record performance in Q4 2008 and business growth has historically been limited by our ability to grow the global organisation. During 2007 and 2008, the company experienced high turn over rates on personnel which limited growth, as global employment markets overheated. We expect a strong market in 2009 and believe that turn over rates on personnel will fall as the employment markets cool down.

Software Division (proforma discussion)

License sales and leases
Licence sales and leases grew by 59% in 2008. The growth experienced has come from regions where Roxar is strong, like CIS and Scandinavia, but other growth regions such as Asia and South America have been even stronger contributors to the growth in 2008. The sales growth stems from clients who are facing more challenging reservoir issues coupled with strong expectations to Roxar's RMS 2009 release.

Maintenance
In spite of improved software sales, maintenance revenue has historically remained relatively flat as more clients have converted from purchase of software licences to lease of software. In 2008, maintenance revenue increased by 14%, which has buckled this old trend. The growth in maintenance is linked to the sales growth as well as from older clients who enter into new maintenance contracts and therefore pay back maintenance. The trend with older clients turning maintenance back on can only be due to strong expectations in the market place to the RMS 2009 release in January 2009.

Services
The service activity was up 16% for 2008, following a slow start. New management and the introduction of a service improvement programme has so far resulted in service revenue in the second half of 2008 which was 47% better than first half of the year. As a result of improved staff utilisation and a strong market, we now observe a shortage of staff in this business.

Stavanger, 19 February 2009
The Board of Directors
Roxar ASA

Questions should be directed to Roxar ASA management represented by:

Gunnar Hviding, CEO
Even Gjesdal, CFO

Profit & loss statement

CONSOLIDATED

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
Revenue	414 407	335 782	315 015	1 365 434	605 592
Cost of goods sold	157 858	120 918	126 847	476 092	236 029
Personnel expenses	103 040	126 608	143 585	459 590	248 391
Other operating expenses	74 496	48 564	45 116	210 535	90 608
Operating profit before depreciation / EBITDA	**79 013**	**39 692**	**-532**	**219 217**	**30 564**
Depreciation and amortisation	32 468	34 613	32 773	133 671	56 073
Operating profit	**46 545**	**5 080**	**-33 304**	**85 546**	**-25 509**
Financial income	21 980	162	15 461	138 354	101 881
Financial cost	-219 850	-103 019	-46 436	-446 230	-97 066
Net financial income / (costs)	-197 871	-102 857	-30 975	-307 877	4 815
Profit before income tax	-151 326	-97 779	-64 279	-222 331	-20 694
Income tax expense	47 203	45 555	20 053	84 781	8 608
Net profit	**-104 122**	**-52 223**	**-44 226**	**-137 549**	**-12 086**
Attributable to:					
Majority interest	-104 209	-52 110	-43 909	-137 778	-12 611
Minority interest	87	-115	-317	229	525
Earnings per share for profit attributable to the equity holders of the company					
(Expressed in NOK per share)					
Basic	-0.43	-0.22	-0.16	-0.57	-0.09
Diluted	-0.38	-0.18	-0.16	-0.47	-0.09

Segment information

CONDENSED CONSOLIDATED

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
FLOW MEASUREMENT					
Revenues	306 143	249 102	254 794	993 245	490 549
EBITDA before allocations of administrative expenses	78 836	43 925	24 745	203 582	58 321
Allocations of administrative expenses	21 202	13 009	13 055	66 880	20 716
EBITDA after allocations	57 634	30 916	11 690	136 702	37 605
Profit Margin	19%	12%	5%	14%	8%
Ordertake / Bookings	310 944	185 321	168 273	876 201	385 584
Backlog	367 413	336 330	325 696	367 413	325 696
Number of Employees	481	488	465	481	465
SOFTWARE SOLUTIONS					
Revenues	108 265	86 679	60 222	372 189	115 043
EBITDA before allocations of administrative expenses	36 878	26 041	-1 957	139 570	10 632
Allocations of administrative expenses	7 527	14 232	8 673	37 084	14 494
EBITDA after allocations	29 351	11 809	-10 630	102 487	-3 862
Profit Margin	27%	14%	-18%	28%	-3%
Ordertake / Bookings	140 758	16 449	9 491	247 946	9 491
Backlog	124 662	36 856	47 636	124 662	47 636
Number of Employees	242	246	243	242	243
OTHER / NOT ALLOCATED					
EBITDA before allocations of administrative expenses	-36 701	-30 274	-23 319	-123 936	-38 390
Allocations of administrative expenses	-28 729	-27 240	-21 728	-103 964	-35 210
EBITDA after allocations	-7 973	-3 033	-1 591	-19 972	-3 180
Number of Employees	90	98	90	90	90
GROUP					
Revenues	414 407	335 782	315 015	1 365 434	605 592
EBITDA before allocations of administrative expenses	79 013	39 692	-532	219 217	30 563
Allocations of administrative expenses	-	-	-	-	-
EBITDA after allocations	79 013	39 692	-532	219 217	30 563
Profit Margin	19%	12%	0%	16%	5%
Ordertake / Bookings	451 702	201 770	177 764	1 124 147	395 075
Backlog	492 075	373 186	373 332	492 075	373 332
Number of Employees	813	832	798	813	798

Balance sheet

CONSOLIDATED

AMOUNTS IN NOK 1 000	31.12.08	31.12.07
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	46 758	43 371
Goodwill	1 249 124	1 204 615
Intangible assets	935 475	994 533
Deferred income tax assets	-	3 176
Other long-term receivables	7 140	8 957
Total non-current assets	**2 238 497**	**2 254 652**
CURRENT ASSETS	158 172	134 204
Inventories		
Earned, not invoiced revenue on construction contracts	126 969	151 546
Trade receivables	372 783	233 699
Other receivables	96 306	64 758
Cash and cash equivalents	130 394	170 120
Total current assets	**884 622**	**754 327**
Total assets	**3 123 120**	**3 008 979**

AMOUNTS IN NOK 1 000	31.12.08	31.12.07
EQUITY & RESERVES		
CAPITAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	243 497	238 783
Share premium reserve	944 986	921 450
Other paid-in equity	27 938	27 938
Retained earnings	-170 551	-31 653
Minority interest in equity	6 285	6 056
Total equity	**1 052 155**	**1 162 574**
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred income tax liabilities	170 594	287 567
Covertible loan	160 208	155 246
Pension obligations	7 738	41 299
Provisions for other liabilities and charges	781	7 688
Borrowings	1 118 806	-
Total non-current liabilities	**1 458 127**	**491 800**
CURRENT LIABILITIES		
Accounts payable	101 168	89 748
Public duties payables	21 816	18 373
Other short-term debt	362 587	161 832
Current income tax liabilities	27 266	4 325
Borrowings	100 000	1 080 327
Total current liabilities	**612 837**	**1 354 605**
Total liabilities	**2 070 965**	**1 846 406**
Total equity and liabilities	**3 123 120**	**3 008 979**

Statement of changes in equity

CONDENSED CONSOLIDATED

AMOUNTS IN NOK 1 000	31.12.2008	31.12.2007
Equity at the beginning of the year	**1 162 574**	**82 139**
Shares issued in connection with acquisition of Mareco	-	5 655
Shares issued in connection with employee	5 003	-
Shares issued in connection with acquisition of PolyOil Ltd	23 247	-
Minority share of Mareco	-	5 531
Share issued in connection with acquisition of Roxar	-	1 113 588
Share issuance costs	-	-82 844
Deferred tax from share issuance costs	-	23 196
Convertible bond	-	41 699
Transaction costs related to convertible bond	-	-2 085
Deferred tax related to convertible debt	-	-11 676
Currency translation differences	-1 120	-543
Profit for the year	-137 549	-12 086
Equity at the end of the period	**1 052 155**	**1 162 574**

Cash flow statement

CONDENSED CONSOLIDATED

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax	-151 326	-97 779	-64 279	-222 331	-20 694
Income tax paid	-	-	-	-	-
Ordinary depreciation and amortisation	32 468	34 614	32 773	133 671	56 073
Write-down of borrowing costs	5 057	7 270	7 942	29 696	13 238
Interest payable	21 798	15 785	-	84 672	54 888
Interest income	-1 462	-2 268	-	-6 248	-6 287
Change in working capital					
Change in accounts receivables	-136 940	27 579	48 465	-134 432	79 304
Change in inventories	-12 701	1 031	18 836	-22 573	5 918
Change in work in progress	-631	-33 131	5 105	24 577	7 409
Change in accounts payables	57 196	-14 853	7 766	7 759	22 615
Change in other items	252 019	123 436	1 403	303 497	-62 662
Net cash generated from operating activities	**65 479**	**61 683**	**58 010**	**198 288**	**149 803**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment	-6 645	-8 074	-4 405	-23 421	-7 896
Capitalised development cost	-17 672	-7 413	-6 965	-44 535	-18 452
Net purchase of shares in other companies	-181	-	-6	-25 731	-2 265 036
Net cash used in investing activities	**-24 497**	**-15 487**	**-11 376**	**-93 687**	**-2 291 384**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	-	-	-	359 250	1 164 532
Repayment of borrowings	-28 894	-24 204	-	-425 066	-
Interest payable	-21 798	-15 785	-	-84 672	-54 888
Interest income	1 462	2 268	-	6 248	6 287
Equity issue	0	-	-	5 003	1 113 589
Issue costs	0	-	-	-	-82 844
Convertible bond (debt)	0	-	-	-	158 301
Convertible bond (equity)	0	-	-	-	41 699
Transaction costs	0	-	-	-	-34 707
Other long-term receivables / payables	-2 389	-1 439	-	-5 090	1 226
Net cash used in financing activities	**-51 619**	**-39 160**	**-**	**-144 328**	**2 313 195**
Net increase in cash, cash equivalents and bank overdrafts	**-10 639**	**7 035**	**46 634**	**-39 726**	**171 614**
Cash, cash equivalents and bank overdrafts at beginning of period	141 031	133 996	123 486	170 120	-1 494
Cash, cash equivalents and bank overdrafts at end of period	**130 394**	**141 031**	**170 120**	**130 394**	**170 120**

Notes

1 BASIS FOR PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 Interim Financial Reporting. The accounts 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 of and for the year ended 31 December 2007. The condensed consolidated interim financial statements have not been audited.

2 BUSINESS COMBINATIONS

On 3 March 2008 Roxar ASA signed a contract to acquire 100 % of the shares in PolyOil Ltd. The purchase price is based on an entity value of NOK 56.1 million (GBP 5.25 million) net of interest bearing debt and cash, whereby NOK 23.2 million have been settled by issuing shares in Roxar ASA as compensation and the remaining amount has been settled in cash.

PolyOil Ltd. is based in Aberdeen and the company is market leader within design, development and delivery of polymer based downhole products for the oil and gas industry.

Roxar has performed a preliminary purchase price allocation of the cost of the business combinations to the assets acquired and liabilities and contingent liabilities assumed in accordance with IFRS 3. The final purchase price allocation has been determined with excess value of NOK 45.5 million.

The balance sheet of the acquired PolyOil business is included in the consolidated balance sheet of Roxar ASA as per 3 March 2008 as follows:

AMOUNTS IN NOK 1 000	PURCHASE PRICE
The net assets and goodwill arising from the acquisition are as follows:	
Cash amount	32 847
Payment in Roxar ASA shares with 1.000.838 shares	23 247
Direct costs related to the acquisition	672
Total costs	56 765
Fair value of net assets	16 532
Goodwill	40 233

The profit after tax from PolyOil for the period since the acquisition, included in the consolidated profit and loss statement, is NOK 2.3 million.

AMOUNTS IN NOK 1 000	BOOK VALUE OF ACQUIRED COMPANY	FAIR VALUE
The net assets and goodwill arising from the acquisition are as follows:		
Intangible assets	-	7 277
Fixed assets	2 480	2 480
Inventory	1 385	1 385
Accounts receivable	4 617	4 617
Cash	7 787	7 787
Other short-term receivable	79	79
Total assets	16 448	23 625
Deferred tax	-	2 037
Creditors	1 545	1 545
Accounts payable	3 634	3 634
Taxation	-123	-123
Total liabilities	5 056	7 093
Net assets	11 293	16 532

3 DEBT STRUCTURE AND FINANCIAL COST

AMOUNTS IN NOK 1 000	CREDIT LOAN (NOK)	TERM LOAN A (USD)	TERM LOAN B (USD)	TOTAL
Nominal value in local currency	100 000	44 000	58 625	
Exchange rate as per 30 September 2008	1	7,0	7,0	
Nominal value of term loan in NOK	100 000	307 952	410 311	818 262
Capitalised borrowing costs on the time of borrowing	-	(6 607)	(8 997)	-15 604
Amortised in 2007	-		1 416	1 416
Amortised in 2008	-	1 378	2 962	4 340
	100 000	**302 723**	**405 692**	**808 415**

Libor interest rates on Term loan A and B are secured until maturity by use of interest swaps. (Term Loan A: 3.67%+ margin, Term Loan B: 4.99%+margin).

The interest margin will, depending on the ratio between interest bearing debt and EBITDA, be between 1.75% -3.75%. Based on the company's performance per 30 September 2008 the interest margin was 3.75%

The final maturity for Term loan A and B is June 2012. Term loan B will be repaid in equal quarterly instalments of USD 4,187 million. The first repayment was paid in September 2008. Term loan A will be repaid in eight quarterly instalments of USD 3 million, and thereafter four quarterly instalments of USD 4 million. The first instalment on Term Loan A is due in June 2009.

AMOUNTS IN NOK 1 000	CONVERTIBLE BOND
Nominal value of convertible loan	200 000
Equity component	41 699
Loan component	158 301
Capitalised borrowing costs on the time of borrowing	-7 915
Amortised in 2007	4 860
Amortised in 2008	9 923
Net book value	165 169

The convertible has a fixed interest of 4.5% p.a. and can be converted at any time before 26th of June 2012 at NOK 7.5.

The subordinated bond will mature in May 2013 and carry a coupon of NIBOR +7% for the first two years with a step-up to NIBOR +10% for the remaining 36 months.

Interests accrue quarterly, and are to be paid in kind (PIK), in the form of issuing additional bonds. Roxar may call the bonds at any time at decreasing rates starting at 106% of par value and decreasing by 0.25 percentage points per month until 24 months after settlement date, after which the bonds will be callable at par value.

AMOUNTS IN NOK 1 000	SUBORDINATED BOND
Nominal value of convertible loan	400 000
Capitalised borrowing costs on the time of borrowing	-35 013
Accrued interest in 2008	33 296
Amortised borrowing cost in 2008	7 146
Net book value	405 430

Financial cost / income

In the fourth quarter Roxar had a net financial cost of NOK 197.9 million. Approximately NOK 147 million of this relates to unrealized currency loss on long term USD loans. Total interest cost for the fourth quarter on long term debt, including RCF loan, amounts to NOK 33.9 million. Of this, NOK 13.3 million relates to PIK (payment in kind) interest on the subordinated bond. Amortised borrowing cost in the fourth quarter was NOK 7.2 million.

Notes

4 CHANGE IN PENSION SCHEME

Following 1 December 2008, Roxar has changed its pension scheme for all employees in the Norwegian legal entities. The pension scheme has been converted from a defined benefit scheme to a fixed contribution scheme. As a direct result of this conversion, Q4 2008 personnel expenses have been reduced by NOK 35.6 million. This conversion has no cash effect.

5 PRO FORMA INFORMATION INCLUDING ACQUISITION OF ROXAR

Pro forma Condensed Consolidated Profit & Loss statement

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
Revenues	414 407	335 782	315 015	1 365 434	1 208 801
Operating profit before deprectian / EBITDA	**79 013**	**39 692**	**-532**	**219 217**	**112 390**
Depreciation	6 099	6 175	5 633	22 802	21 883
Amortisation	26 369	28 438	27 140	110 869	108 288
Operating profit	**46 545**	**5 080**	**-33 305**	**85 546**	**-17 780**
Financial income	21 980	162	15 461	138 354	162 603
Financial cost	-219 850	-103 019	-46 436	-446 230	-153 357
Profit before tax expenses before discontinued operations	**-151 326**	**-97 778**	**-64 280**	**-222 331**	**-8 535**
Tax expenses	47 203	45 555	19 620	84 781	-127
Profit before discontinued operations	**-104 122**	**-52 223**	**-44 660**	**-137 549**	**-8 661**
Discontinued operations	-	-	-	-	17 557
Net profit	**-104 122**	**-52 223**	**-44 660**	**-137 549**	**8 896**

Pro forma Condensed Revenue per segment

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
Flow Measurement	**306 143**	**249 102**	**254 793**	**993 245**	**926 596**
- Topside	114 706	74 695	69 006	319 989	222 655
- Subsea	76 856	82 748	89 604	308 370	399 359
- Downhole	60 382	50 810	55 218	178 209	171 418
- Services	54 198	40 849	40 964	186 677	133 164
Software Solutions	**108 265**	**86 679**	**60 222**	**372 189**	**282 204**
- Sales / leases	52 952	26 349	22 792	170 921	107 873
- Maintenance	26 103	27 803	20 738	97 461	85 163
- Services	29 210	32 527	16 692	103 807	89 168
Total revenue	**414 407**	**335 782**	**315 015**	**1 365 434**	**1 208 801**

Pro forma Condensed EBTIDA per segment

AMOUNTS IN NOK 1 000	4Q 2008	3Q 2008	4Q 2007	2008	2007
FLOW MEASUREMENT					
Revenues	306 143	249 102	254 793	993 245	926 596
EBITDA before allocations of administrative expenses	78 836	43 925	24 745	203 582	148 540
Allocations of administrative expenses	21 202	13 009	13 055	66 880	49 167
EBITDA after allocations	57 634	30 916	11 690	136 702	99 373
Profit Margin	19%	12%	5%	14%	11%
SOFTWARE SOLUTIONS					
Revenues	108 265	86 679	60 222	372 189	282 204
EBITDA before allocations of administrative expenses	36 878	26 041	-1 957	139 570	60 331
Allocations of administrative expenses	7 527	14 232	8 673	37 084	34 087
EBITDA after allocations	29 351	11 809	-10 630	102 487	26 244
Profit Margin	27%	14%	-18%	28%	9%
OTHER / NOT ALLOCATED					
EBITDA before allocations of administrative expenses	-36 701	-30 274	-23 319	-123 936	-96 482
Allocations of administrative expenses	-28 729	-27 240	-21 728	-103 964	-83 255
EBITDA after allocations	-7 973	-3 033	-1 591	-19 972	-13 227
GROUP					
Revenues	414 407	335 782	315 015	1 365 434	1 208 801
EBITDA before allocations of administrative expenses	79 013	39 693	-532	219 217	112 390
Allocations of administrative expenses	-	-	-	-	-
EBITDA after allocations	79 013	39 693	-532	219 217	112 390
Profit Margin	19%	12%	0%	16%	9%

Basis for preparation. The unaudited pro forma financial information has been compiled in connection with the acquisition of Roxar AS to illustrate what the main effects would be on the consolidated profit and loss statement for 2007 for Roxar ASA if the transaction had occurred at an earlier period.

Pro forma accounting principles. The unaudited pro forma financial information has been compiled using accounting principles that are consistent with Roxar ASA (International Financial Reporting Standards - IFRS). These accounting principles are described in the Company's 2007 annual report.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature it addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results.

Sources of pro forma financial information – historical financial information
The unaudited pro forma financial information has been compiled based on the audited financial statements of Roxar ASA for the financial year ended 31 December, 2007 and the unaudited interim financial report of Roxar ASA (IFRS) and the unaudited interim financial report of Roxar AS (IFRS) for the quarter and period ended 31 December 2007.

Basis for preparation of the unaudited pro forma financial information
Roxar ASA acquired all the shares in Roxar AS on 25 July 2007.

Roxar ASA acquired 70% of the shares in Mareco AS on 1 March 2007 and this is included in Roxar ASA's unaudited interim financial report for Q4 2008 from 1 March 2007. The acquisition is not directly attributable to the transaction that requires pro forma financial information and no pro forma adjustments have been made for this acquisition in the pro forma financial information presented.

Roxar ASA acquired 100% of the shares in PolyOil Ltd on 3 March 2008 and this is included in Roxar ASA's unaudited interim financial report for Q4 2008 from 3 March 2008. The acquisition is not directly attributable to the transaction that requires pro forma financial information and no pro forma adjustments have been made for this acquisition in the pro forma financial information presented.

Stavanger, 19 February 2009

/s/ Hans Olav Torsen
Chairman of the Board

/s/ Kaare M. Gisvold
Board Member

/s/ Marit Jannecke Olstad
Board Member

/s/ Maria N. Pedersen
Board Member

/s/ Svein O. Eimhjellen
Board Member

/s/ Gunn-Jane Håland
Board Member

/s/ Eli Skyberg
Board Member

/s/ Johan Fredrik Odfjell
Board Member

/s/ Morten Bergesen jr.
Board Member

/s/ Gunnar Hviding
Chief Executive Officer

The power of respect. Improving financial performance through quantifying risk. Ormen Lange's need for accuracy. Strengthening Norway's technology cluster. A complete picture of the reservoir. Maximum reservoir performance. Better decision-making at all levels. A business model built on innovation. Turning raw data into information. Integrated Reservoir Production Management system. Securing a sustainable gas supply in Tunisia. Optimizing production. Unlocking productivity in assets and people. Leveraging investments. Excellence. Make sure it's Roxar.

roxar
MAXIMUM RESERVOIR PERFORMANCE

ROXAR ASA, GAMLE FORUSVEI 17, PO BOX 112, 4065 STAVANGER, NORWAY
TELEPHONE +47 51 81 8800 FAX +47 51 81 8801 WWW.ROXAR.COM