

DETAILED STOCK EXCHANGE ANNOUNCEMENT

This is an announcement under section 3.4 of the "Continuing obligations for stock exchange listed companies"/Oslo Børs.

Blom AS ("**Blom**"), a wholly owned subsidiary of NRC Group ASA ("**NRC Group**"), has on 6 November 2016 entered into a Share Sale and Purchase Agreement (the "**SPA**") with Cyient Europe Limited ("**Cyient**") for the sale of all the issued shares in Blom Aerofilms Limited (the "**Company**") (the "**Transaction**"). The Transaction will, upon completion, represent a decrease of more than 5% of the revenue of the NRC Group based on the annual account for 2015.

1. The Transaction

Pursuant to the SPA, Cyient will acquire 100% of the shares of the Company from Blom.

The estimated purchase price for 100% of the shares in the Company is GBP 4.4 million, which includes an amount of approximately GBP 1.4 million of cash in the Company which will be transferred to Blom as part of the purchase price mechanism prior to completion of the Transaction. The purchase price will be adjusted on the basis of a completion balance sheet mechanism whereby adjustments will be made on the basis of the Company's cash, debt and working capital exceeding an agreed level of normalized working capital as of the completion date for the Transaction.

The purchase price will be settled in cash at completion of the Transaction. Depending on the level of working capital in the Company at completion, parts of the purchase price may be put into escrow awaiting finalization of the completion accounts which is expected to be agreed/determined no later than December 20th 2016.

The Purchaser has informed NRC Group that the payment of the purchase price will be financed with existing cash reserves and debt, as appropriate.

Completion of the Transaction is subject to certain customary closing conditions being satisfied or waived, such as *inter alia* that the parties obtain certain required third party consents. The Transaction is not conditional upon any governmental approvals.

The parties expect that completion of the Transaction will occur on 30 November 2016.

2. Description of the business of the Company

The Company is a geospatial expert engaged in acquisition and processing of complex geographical data and the production of maps and geospatial 3D models for a broad range of applications. The Company's key service offering includes aerial survey photography and laser scanning (LiDAR), terrestrial "Land Surveys", mapping and 3D modelling, satellite data and imagery.

The Company's main office is in Cheddar, UK. As of the date of signing of the SPA, the Company had 47 employees, representing 47 full time equivalents.

3. Key Figures

Key figures for the Company are presented in the table below. The financial figures in the table below are extracts only and must be read in conjunction with the NRC's complete financial statements:

Blom Aerofilms Limited (consolidated figures):

Key P&L figures (TNOK)	2015	2014	2013
	IFRS	IFRS	IFRS
Revenue	67,834	62,577	42,265
Operating expenses	63,686	52,134	42,541
EBITDA	4,148	10,443	-276
EBT	1,960	9,325	-7,311

Key Balance Sheet Items (TNOK)	YE 2015	YE 2014	YE 2013
	IFRS	IFRS	IFRS
Total assets	36,659	24,727	14,463
Total equity	12,580	10,632	1,651

The above figures are actual figures and have not been adjusted for the effect of the Transaction.

At the date of this announcement, there are no significant assets or liabilities that are not shown in the Company's balance sheet.

4. Board and Management

The Company's Board of Directors consist of the following members:

- Anne-Marit Aamlid
- Paul Nicholas Evans
- Allan Murray Jamieson
- Simon Tregellas Kraeter

The Company's executive management consist of the following persons:

- Paul Nicholas Evans
- Allan Murray Jamieson
- Simon Tregellas Kraeter

5. Strategic Effects

The Transaction is carried out in connection with a strategic decision by NRC Group to strengthen its focus on its rail business and reduce its focus on the geo business. Following the sale of the Nordic geo business in March 2016, NRC Group's geo business accounts for less than 10% of the total business of the NRC Group. The Company accounts for approximately 80% of NRC Group's geo business.

The Transaction enables NRC Group to increase its focus and efforts on the rail division, where the market sentiment is strong and where NRC Group has a solid position for further growth.

6. Agreements for the Benefit of Executive Management or Board Members in connection with the Transaction

NRC Group has entered into incentive agreements with Paul Nicholas Evans and Simon Tregellas Kraeter, which are triggered by the Transaction. The total cost related to these agreements, which is triggered by the Transaction, amounts to approximately GBP 97,000.

Except as stated above, there are no agreements, existing or contemplated, in connection with the Transaction, that involves extraordinary benefits for senior employees or members of the Board of Directors of neither the Company nor NRC Group.

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