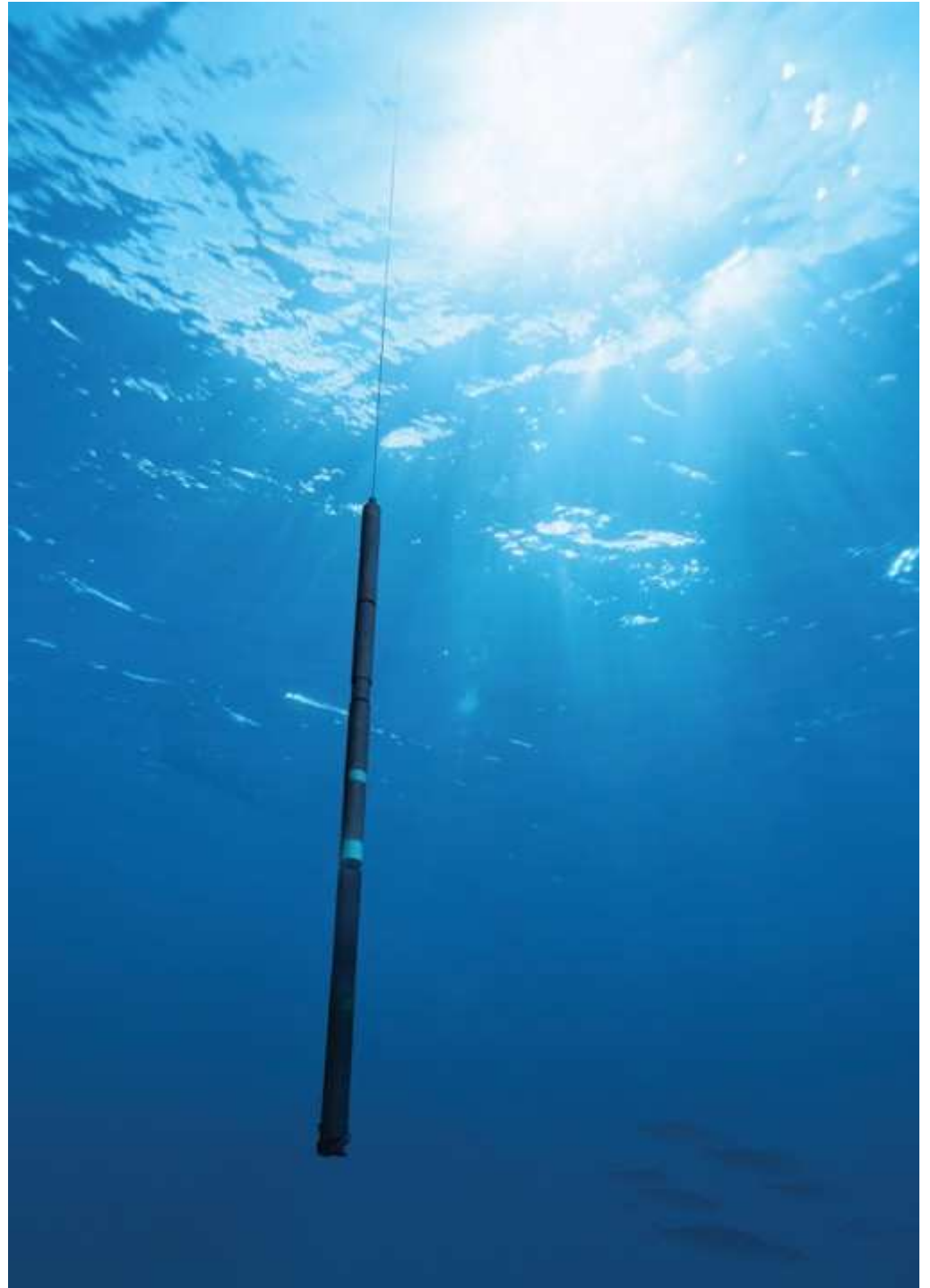




# Q4 - 2016 IR Report

24<sup>th</sup> February 2017





## Disclaimer

This presentation includes forward-looking statements which are subject to risks and uncertainties that could cause actual results and events to differ.

Even though the Company believes that the expectations reflected in the forward-looking statements are reasonable, BXPL cannot assure that the presented predictions will be achieved. It has to be taken into account that certain risks and uncertainties that are tied to the presented forward-looking statements, such as political, economical, financial and legal changes in the markets BXPL operates in, are beyond the Company's ability to control or predict. Therefore readers should not place undue reliance on the forward-looking statements.

BXPL does not intend and does not assume the obligation to update any of the presented forward-looking statements in light of new information except to the extent required by applicable law and/or regulation.



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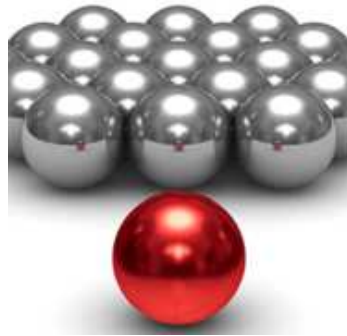


# Subsurface mapping made easy

“Derisking of reserves” – Rystad Energy



No rig needed



More for the  
price of one



Small  
environmental  
footprint



Reservoir  
Monitoring





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# Financial Status

	Quarters				Year End	
Unaudited figures in NOK 1000	Q4 2016	Q3 2016	Q4 2015	Note	31.12.2016	31.12.2015
<b>Revenues</b>						
Other Income	19	5	0		66	0
<b>Total Revenues</b>	<b>19</b>	<b>5</b>	<b>0</b>		<b>66</b>	<b>0</b>
<b>Operating Expenses</b>						
External services for development project	65	201	1 959		1 561	8 726
Payroll and related costs	1 144	1 166	1 983		4 140	9 921
Other operating expenses	1 303	731	536		4 391	8 083
Capitalised development costs	-410	-632	-3 069		-3 516	-14 124
<b>Total Operating Expenses</b>	<b>2 101</b>	<b>1 466</b>	<b>1 409</b>		<b>6 577</b>	<b>12 606</b>
<b>EBITDA</b>	<b>-2 082</b>	<b>-1 461</b>	<b>-1 409</b>		<b>-6 512</b>	<b>-12 606</b>
Depreciation	4	15	44		99	200
<b>Operating profit (loss)</b>	<b>-2 086</b>	<b>-1 476</b>	<b>-1 453</b>		<b>-6 611</b>	<b>-12 807</b>
Net finance income (loss)	-98	-105	-114	2, 8	-445	-450
<b>Profit (loss) before taxes</b>	<b>-2 184</b>	<b>-1 581</b>	<b>-1 566</b>		<b>-7 056</b>	<b>-13 257</b>
Tax on ordinary result	0	0	0		0	0
<b>Net profit (loss)</b>	<b>-2 184</b>	<b>-1 581</b>	<b>-1 566</b>		<b>-7 056</b>	<b>-13 257</b>
<b>Profit (loss) attributable to equity holders of the company</b>	<b>-2 184</b>	<b>-1 581</b>	<b>-1 566</b>		<b>-7 056</b>	<b>-13 257</b>
Earnings per share	-0,12	-0,09	-0,08		-0,38	-0,72
Earnings per share diluted	-0,12	-0,09	-0,08		-0,38	-0,71



# Financial Status

Unaudited figures in NOK 1000

<b>ASSETS</b>	<b>31.12.2016</b>	<b>30.09.2016</b>	<b>Note</b>	<b>31.12.2015</b>
<b>NON-CURRENT ASSETS</b>				
Capitalised development costs	149 632	149 316	2, 5	147 768
Patent rights	387	387		387
<b>Total intangible assets</b>	<b>150 019</b>	<b>149 703</b>		<b>148 154</b>
Property, plant & equipment	24	28		101
<b>Total tangible assets</b>	<b>24</b>	<b>28</b>		<b>101</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>150 043</b>	<b>149 730</b>		<b>148 255</b>
<b>CURRENT ASSETS</b>				
Other receivables	605	2 227	1	3 630
<b>Total receivables</b>	<b>605</b>	<b>2 227</b>		<b>3 630</b>
<b>Cash and cash equivalents</b>	<b>335</b>	<b>327</b>		<b>586</b>
<b>TOTAL CURRENT ASSETS</b>	<b>940</b>	<b>2 554</b>		<b>4 216</b>
<b>TOTAL ASSETS</b>	<b>150 983</b>	<b>152 284</b>		<b>152 471</b>

# Financial Status

Unaudited figures in NOK 1000

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2016</b>	<b>30.09.2016</b>	<b>Note</b>	<b>31.12.2015</b>
<b>EQUITY</b>				
Share capital	2 317	2 317	3	2 317
Share premium	218 070	218 070	4	218 070
Other paid in capital	3 935	3 869	4	4 167
<b>Total paid in equity</b>	<b>224 322</b>	<b>224 256</b>		<b>224 555</b>
Retained earnings	-165 403	-163 219		-158 347
<b>Total retained earnings</b>	<b>-165 403</b>	<b>-163 219</b>		<b>-158 347</b>
<b>TOTAL EQUITY</b>	<b>58 919</b>	<b>61 038</b>		<b>66 207</b>
<b>LIABILITIES</b>				
Capitalised grants	81 500	81 500	5	75 000
<b>Total non-current liabilities</b>	<b>81 500</b>	<b>81 500</b>		<b>75 000</b>
Accounts payables	2 063	1 979	7	3 078
Public duties payables	281	456		474
Debt financial institutions	6 889	6 910	8	6 711
Other short term liabilities	1 331	402		1 001
<b>Total current liabilities</b>	<b>10 564</b>	<b>9 747</b>		<b>11 264</b>
<b>TOTAL LIABILITIES</b>	<b>92 064</b>	<b>91 247</b>		<b>86 264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>150 983</b>	<b>152 284</b>		<b>152 471</b>



# Financial Status

Unaudited figures in NOK 1000	Quarters				Year end	
	Q4 2016	Q3 2016	Q4 2015	Note	31.12.2016	31.12.2015
Contribution from operations*	-2 004	-1 494	-1 273		-6 731	-12 098
Change in accounts receivables and accounts payables	84	-862	-433	7	-1 015	683
Change in other receivables and payables	-79	544	-205		-376	-936
Net cash flow from operating activities	-1 998	-1 813	-1 911		-8 122	-12 351
Capitalisation of development cost	-410	-632	-3 069	2	-3 516	-14 124
Net cash flow from investment activities	-410	-632	-3 069		-3 516	-14 124
Government grants	2 547	0	2 922	1	5 166	8 060
Contribution from industry partners	0	2 500	0	5	6 500	8 390
Interest received	8	4	16		30	54
Interest paid	-119	-109	-130	8	-488	-505
Proceeds from borrowings financial institution	0	90	1 666	8	178	6 711
Net cash flow from financing activities	2 436	2 485	4 474		11 386	22 711
Total net changes in cash flow	8	40	-505		-252	-3 764
Cash and cash equivalents beginning of period	327	287	1 091		586	4 351
Cash and cash equivalents end of period	335	327	586		335	586
Profit (loss) attributable to equity holders of the company	-2 184	-1 581	-1 566		-7 056	-13 256
Employee options	66	-33	137	4	-232	508
Depreciation	4	15	44		99	200
Finance income	-8	-4	-16		-30	-54
Finance expenses	119	109	130	8	488	505
*Contribution from operations before tax	-2 004	-1 494	-1 273		-6 731	-12 098



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# Development Program

- ✓ Expanding the operational envelope of the 2<sup>nd</sup> generation Badger tool
- ✓ Qualify and prove four core technology solutions:
  - ✓ **Drilling Solution**
    - ✓ Enhanced ultrasonic drilling in low permeability formations
  - ✓ **Cutting Transport Solution**
    - ✓ Transport of dry or wet cuttings from drillbit to compactor inside the tool
  - ✓ **Compaction Solution**
    - ✓ Make an impermeable plug and obtain necessary space for the tool by use of ultrasonic compaction and micro-fracking
  - ✓ **Locomotion Solution**
    - ✓ Move tool in packed annulus and unstable geology



# Development Program - Status

- ✓ Drilling Solution
  - ✓ Working on solving the “dry drilling” challenge where drillbit design, control system and the ultrasonic transducer are included
- ✓ Cutting Transport Solution
  - ✓ Concept approved. Integration into expected tool shape and size to be done in 2017
- ✓ Compaction Solution
  - ✓ Tests ongoing in University of Glasgow
  - ✓ Designing a subsurface test chamber that can apply high temperature and high pressure (HTHP) conditions for the testing
- ✓ Locomotion Solution
  - ✓ Working on the most promising concepts for reducing friction and enhancing propulsion of the tool
  - ✓ Designing a dedicated test equipment for qualification of the concepts



# Development Program - Status

## ✓ Funding

- ✓ In December, Badger Explorer conducted a successful private placement raising NOK 45 million in gross proceed.
- ✓ In addition, a subsequent offering of up to NOK 10 million has been launched for eligible shareholders
- ✓ *Note: After this reporting period, Badger Explorer successfully raised further NOK 300 million in gross proceeds in a second private placement. A subsequent offering of up to NOK 40 million will be launched during March 2017 for eligible shareholders*
  - ✓ *Complete the Development Program*
  - ✓ *Launch new business opportunities*
  - ✓ *Pursue investment opportunities within the oil service sector*

## ✓ Partnership

- ✓ No new partnership negotiated
- ✓ Statoil partnership: Active with Letter of Intent
- ✓ CNPC-DR partnership: Active with Letter of Intent. Political relationship between China and Norway improved by the end of Dec 2016.



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# Outlook

The recent equity offerings have dramatically improved the position of Badger Explorer;

- The completion of the Development Program will get high priority
- New business opportunities based on existing and new technologies will be prioritised
- Investment opportunities within the oil service sector will be pursued
- The team will be scaled to get the right traction in the coming activities



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Thank you for attending