

AGR Group ASA proposes a demerger of its Drilling Services business

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Oslo, 17 April 2013. Reference is being made to the stock exchange release of 28 February 2013 regarding an internal restructuring of AGR Group ASA ("**AGR**" or the "**Company**").

The Board of Directors of AGR has today, on 17 April 2013, approved and signed a demerger plan for the proposed demerger of AGR's Drilling Services business into a new private limited liability company.

AGR's two business areas, the Petroleum Services business and Drilling Services business, have successfully been developed into stand-alone entities within AGR with separate management teams and separate financing. Both business areas have exciting prospects that the Board of Directors believes are best developed by full separation of Petroleum Services and Drilling Services by means of a demerger. The Petroleum Services business will continue within the framework of the current listed AGR, while the Drilling Services business will be spun off into a non-listed company, which the Board of Directors believes is most suitable framework for Drilling Services over the next few years. Full separation of Petroleum Services and Drilling Services will enable the two divisions to seek separate strategic alternatives and enhance organizational and operational focus.

The demerger is proposed to be structured in accordance with the provisions set out in Chapter 14, including the special provisions in Section 14-11a concerning symmetrical demergers, of the Norwegian Public Limited Liability Companies Act, by transferring the Drilling Services business with related assets and liabilities (as described in the demerger plan) to a new private limited liability company being established as part of the proposed demerger and being named EDS Group AS ("**EDS Group**"). The nominal and paid up share capital of AGR will be allocated between AGR and EDS Group with 56% on AGR and with 44% on EDS Group. Each shareholder in AGR at the time of the completion of the demerger will receive one share in EDS Group for each share held in AGR on that date.

In connection with the demerger, the Board of Directors also proposes that AGR's registered office is to be relocated to the municipality of Oslo, Norway.

The demerger plan must be approved at a general meeting of AGR to be held no earlier than one month after today's date. The Board of Directors of AGR has decided to propose the approval of the demerger plan at the annual general meeting to be held on 24 May 2013. The complete demerger plan and related documents are available at the Company's website: www.agr.com.

If the demerger is approved by the general meeting, a two months creditor notification period will commence on the date of registration of the shareholder resolution in the Norwegian Register of Business Enterprises. Consequently, and provided that all conditions for implementation are fulfilled, the demerger is expected to be completed by end of July 2013.

The Company has been informed that, to meet potential preference among investors to hold shares in a publicly listed company rather than in a privately held company, the Altor funds, through Altor Oil Service Invest AS ("**Altor**"), will seek to facilitate a swap whereby shareholders receiving shares in EDS Group (being the Drilling Services business), subsequent to and following completion of the proposed demerger, are offered to exchange up to all their shares in EDS Group for shares in AGR (being the Petroleum Services business). The exchange ratio between the AGR share and the EDS Group share will be the same as in the proposed demerger. Altor intends to facilitate for the tendered EDS Group shares under the swap to be primarily offered to the other minority AGR

shareholders, such that minority AGR shareholders preferring to hold EDS Group shares may exchange AGR shares for the tendered EDS Group shares. Altor will settle tendered EDS Group shares not acquired by other minority AGR shareholders in exchange for AGR shares with AGR shares held by Altor. It is expected that the swap offer will be initiated immediately following completion of the proposed demerger, expected to be by end of July 2013. Information describing the swap offer, including a prospectus, will be prepared and sent all shareholders in due course.

Moreover, Drilling Services will continue to prepare adequate reporting and will seek to facilitate a market for its shares also in a private setting.

The management of Drilling Services and Petroleum Services will make itself available to investors for Q&A in meetings to be set up. Time and place will be announced in due course.

For further information, please contact:

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