AGR Group ASA

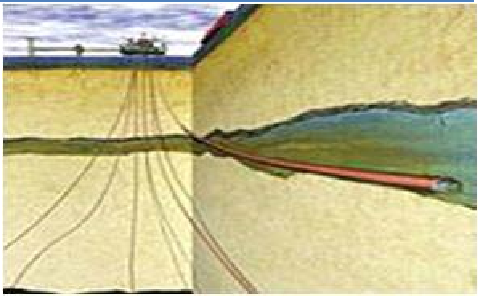
Interim Report
4th quarter and 2009

Petroleum Services	Drilling Services	Field Operations



AGR Group consists of three business units with global reach, aligned with the trends in the global oil and gas services industry:

Petroleum Services



AGR Petroleum Services delivers a broad service offering within reservoir evaluations, well-planning and management as well as integrated field management to the upstream oil and gas industry. Its core competencies include geology, geophysics, petrophysics, reservoir and petroleum engineering, well construction, drilling management, completion design and installation, field development planning, risk and economics evaluation. The business unit also delivers a broad training portfolio.

Drilling Services

AGR Drilling Services develops and supplies market leading technologies and services including advanced subsea drilling solutions, well work over and clean-out technologies, subsea excavation and pipeline trenching services. Its Riserless Mud Recovery systems (RMR) have been successfully deployed at more than 100 wells.

Field Operations

AGR Field Operations offers a variety of products and services within field development, operations and operational support of oil and gas infrastructures through the entire life of a field. The services are organized under the product lines Integrity & Inspection, Maintenance Management, Operations & Maintenance, Subsea Services and Alternative Energy.

Q4 MANAGEMENT REPORT

Divisional Reports

Primary segment reporting Q4 2009 only (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	259.841	100.834	300.685	(1.025)	(575)	659.759
Operating revenue, internal	(1.554)	(1.314)	13.188	499	(10.818)	0
Op. ex. before depr.	(228.449)	(69.426)	(299.012)	(6.168)	11.393	(591.660)
EBITDA	**29.838**	**30.095**	**14.861**	**(6.694)**	**-**	**68.099**
Depreciation and amortization	(12.187)	(20.837)	(14.334)	(222)	-	(47.580)
Write downs and provisions	(35.958)	(74.677)	-	-	-	(110.636)
EBIT	**(18.307)**	**(65.420)**	**527**	**(6.916)**	**-**	**(90.117)**

Primary segment reporting Q4 2008 only (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	431.948	74.415	204.723	(2.580)	-	708.506
Operating revenue, internal	(67.270)	30.820	14.586	(19.105)	40.968	-
Op. ex. before depr.	(352.677)	(93.213)	(191.796)	6.794	(40.968)	(671.861)
EBITDA	**12.001**	**12.022**	**27.513**	**(14.891)**	**-**	**36.645**
Depreciation and amortization	(15.066)	(14.766)	(12.538)	(245)	-	(42.615)
Write downs and provisions	(399)	(125.876)	(2.452)	(6.998)	-	(135.725)
EBIT	**(3.464)**	**(128.620)**	**12.523**	**(22.134)**	**-**	**(141.695)**

EBITDA: Earnings before interest, tax, depreciation and amortisation, excluding inventory/asset write downs
Cost related to the Share Investment Program (EBC) has been moved from the divisions into Group.

AGR Petroleum Services

The fourth quarter showed improvements within several business lines and in total the area delivered a Q4 EBITDA of NOK 30 million compared to NOK 12 million in Q4 2008.

The Well management operations continued to be affected by the slowdown in drilling activity, especially in the UK, although the market showed improvement in Q4. During the quarter AGR Petroleum Services managed six wells for clients, among these were the McMoRan Davy Jones Prospect drilling in the Gulf of Mexico. The activity of the well software P1 is still growing and several proposals are being evaluated by clients.

The Consultancy activities and number of consultants have increased during Q4 and the Norwegian Consultancy has shown a strong growth for the year, while the other geographies are gaining momentum.

The Reservoir and Field Management business has continued to increase the activity level. Several contracts were closed during Q4, and in addition the business has kept a steady workload from key clients.

AGR Drilling Services

The business area delivered an EBITDA of NOK 30 million compared to NOK 12 million in Q4 2008.

During Q4 the RMR business continued the strong recovery and growth experienced in Q3. Eight wells were drilled using the technology during this period, including a highly significant first application in the Gulf of Mexico. This represents a breakthrough for this well proven technology into a region with significant future potential. In October AGR Drilling Services celebrated 100 wells drilled with RMR from semi-submersible to jack-up drilling rigs, water depths from 40m to 1500m and the North Sea to Western Australia. The RMR system is now proven technology, bringing significant benefits to its rapidly growing customer base.

In Well Services, the activity level within the wellbore clean out product line suffered due to the general market conditions. However, this is expected to recover during 2010. Activity for the de-sander technology continued to expand with the award of a long term contract in Saudi Arabia.

The Trenching and Excavation business experienced low activity due to the global downturn in subsea construction and maintenance activity.

Johan Warmedal was appointed new Executive Vice President of AGR Drilling Services effective from 15th February 2010.

AGR Field Operations

EBITDA for the fourth quarter of 2009 was NOK 15 million compared to the very strong NOK 28 million for the same period last year. The traditionally seasonably somewhat slower Q4 thus completed a full year of strong growth both in terms of revenue and earnings.

Order intake remains at a satisfactory level supported by the award of the new long term contract with Australian Worldwide Exploration Ltd (AWE) for Operations and Maintenance of their Perth Basin assets in Western Australia. Tendering work is ongoing at the end of Q4 2009 and start of Q1 2010 to further strengthen total order backlog.

During this quarter the second Neptune unit came into operations, and both units were fully utilized during the quarter.

Other

Following a thorough review of the goodwill and intangible assets stemming from acquisitions and book value of own assets, management has in light of the current financial climate implemented some write downs.

A test according to IFRS for impairment of indefinite lived assets and for finite lived assets was performed at the end of Q4 2009. The result of this review is an impairment charge in Q4 related to intangible assets in Drilling Services (NOK 75 million) and Petroleum Services (NOK 36 million). For more information about the principles applied in the impairment testing in 2009, please refer to the Financial consolidated information and notes section of this report.

AGR Group has closed a transaction whereby Wison Heavy Industries acquired AGR's 50% share of Horton Deepwater Development Systems Inc in Texas.

2009 MANAGEMENT REPORT

Divisional Reports

Primary segment reporting per. 31.12.2009 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.028.698	315.684	1.035.578	11.427	(1.444)	2.389.943
Operating revenue, internal	9.744	11.085	30.970	5.375	(57.174)	-
Op. ex. before depr.	(911.306)	(256.329)	(962.399)	(49.854)	58.618	(2.121.272)
EBITDA	**127.136**	**70.440**	**104.149**	**(33.052)**	**-**	**268.671**
Depreciation and amortization	(49.615)	(77.648)	(54.387)	(845)		(182.495)
Write downs and provisions	(41.283)	(274.410)			-	(315.693)
EBIT	**36.238**	**(281.618)**	**49.762**	**(33.897)**	**-**	**(229.517)**

Primary segment reporting year 2008 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.400.040	363.480	820.090	(749)		2.582.861
Operating revenue, internal	16.063	4.136	10.948	39.260	(70.408)	(1)
Op. ex. before depr.	(1.151.597)	(333.845)	(751.938)	(113.478)	70.408	(2.280.450)
EBITDA	**264.506**	**33.771**	**79.100**	**(74.967)**	**-**	**302.411**
Depreciation and amortization	(42.901)	(61.580)	(51.041)	(1.339)		(156.861)
Write downs and provisions	(399)	(131.937)	(2.452)	(6.998)	-	(141.786)
EBIT	**221.206**	**(159.746)**	**25.607**	**(83.304)**	**-**	**3.765**

EBITDA: Earnings before interest, tax, depreciation and amortisation, excluding inventory/asset write downs
Cost related to the Share Investment Program (EBC) has been moved from the divisions into Group.

AGR Petroleum Services

EBITDA for AGR Petroleum Services for 2009 was NOK 127 million compared to NOK 265 million for the same period last year. NOK 14 million is related to the sales gain from the sales of NETool. The winding up costs of the Turnkey operation amounted to NOK 9 million and final calculation of bonuses for 2008 led to an additional charge of NOK 3 million. In Q1 2008 the provision for AED outstanding amount made at year end 2007 was reversed with a positive effect of NOK 18 million.

AGR Petroleum Services experienced a slowdown in activity during 2009 compared to 2008. The main reason for the reduction in operations was the clients' reduction in drilling operations and exploration studies. Specifically the well management activity was reduced in some geographies as a result of the financial turmoil, while areas such as the Norwegian well management operations remained strong throughout the year. Planning of new well operations for the clients continued in most areas, while new areas and clients were won. The reservoir management division experienced a slow start of the year due to reduction in studies work with some of its main clients, but with markets firming up during the second half of the year.

The Well Management division with more than 300 engineers provides oil companies with drilling services, including planning, operations and reporting of wells. The rig campaign model of AGR Petroleum Services continued to deliver new projects in its key geographies and simultaneously adding new areas such as the South Atlantic to its areas of operations, planned for spud during Q1 2010. Variations of this successful business model constructing multi-client, multi-well drilling programs on behalf of oil companies wanting to access AGR Petroleum Services' skills, resources and access to the market to run their well operations safely and cost effectively remains. During the year the Well Management business finalised 26 wells out of Australia, UK, US and Norway compared to 78 well in the record year 2008. The 2009 wells include the McMoRan discovery well in the prolific sand package in the Davy Jones prospect.

The new release of the probabilistic well planning tool, P1™ combined with additional focus on marketing has during 2009 resulted in several contract renewals and new purchases from several clients.

The strengthening of the Reservoir Management division by the acquisition of TRACS International in 2008 and the integration of this into the Reservoir Management division resulted in a broader product offering and regional operations. The operational activity firmed up in the second half of 2009 mainly through the existing key clients, but also adding large contract with new clients and Multi Client Reports sales in existing markets. Selected growth markets during the year have been Brazil, the Middle East with NOCs and Vietnam. These results and the increase in study and tender activities during second half are signs of increased activity levels with existing and new clients. The 120 professionals working in multi-disciplinary teams deliver value to clients by performing subsurface evaluations from exploration, through field development and production optimization as well as asset valuations and reservoir audits.

The Field Management division of AGR Petroleum Services has during the year delivered integrated services combining services from Well and Reservoir Management with Field Development engineering experts as well as delivering facility study support to clients.

The Consultancy business in AGR Petroleum Services has continued to deliver on site consultants, mainly within drilling and completion services, to clients and to Well Management operations. On a general basis the operational activity was reduced compared to 2008, while markets such as the Norwegian showed a healthy growth after completing a 3 year frame agreement with Statoil on Drilling and Well Consultancy worldwide. This has resulted in 232 consultants operating at the end of the year, compared to averaged 240 consultants on a continuous basis in 2008.

In July AGR and Halliburton signed and closed a transaction whereby Halliburton acquired all rights to the software NETool.

AGR Drilling Services

EBITDA for AGR Drilling Services for 2009 was NOK 70 million. The result for the same period last year was NOK 34 million.

A key service within the division is Riserless Mud Recovery (RMR). The RMR technology, developed within AGR, improves drilling operations by reducing the risk and cost of drilling top-hole sections in offshore wells. The RMR system was initially utilized by clients who wished to utilize more sophisticated drilling fluids to reduce risk while drilling unstable formations, but there are an increasing number of new clients who incorporate the RMR during the well design phase to reduce the number of casings and therefore the overall cost of well construction. The system also allows for recovery and recycling of material discharged from the well during drilling, such as cuttings and mud, ensuring a zero discharge to the environment. From 2010 onwards the system will also start being utilised in Managed Pressure Drilling applications, where conventional drilling practices are not sufficient to reach the reservoir, and RMR will be an enabling technology for clients to achieve their goals.

The search for hydrocarbons is taking exploration drilling into deeper water depths, more sensitive environmental areas, and more challenging formations. This is continually increasing the range of applications for the RMR system. Due to the economic downturn affecting overall drilling activity, 2009 started slowly for the RMR business, but the 2nd half of the year showed strong recovery and growth. In 2009 a total of 30 wells were drilled with the RMR fleet and this is expected to rise significantly in 2010. The client feedback on the technology continues to be very positive, and the system continues to be utilised by major petroleum companies including Statoil, BP and BG. During 2009 the RMR client base expanded substantially beyond the original supportive major Operators, with several smaller clients utilizing the system as a standard part of multi-well programs.

During 2009 the RMR entered the US Gulf of Mexico for the first time, successfully completing a well for Statoil. This is an important breakthrough into the US market and strong growth in the Americas region is expected during 2010.

The system was also accepted by BP in the Caspian region as a managed pressure drilling tool to assist in the very challenging formations found offshore Azerbaijan.

The RMR business focused on cost reduction and sales and marketing during 2009, to create a streamlined organization suited to the overall market downturn whilst growing the market for the services both geographically and to new clients. This focus has resulted in very positive results in the second half of 2009.

The Well services business line within AGR Drilling Services provides clean-out tools used to remove debris from inside the wellbore. This is a predictable and successful business stream with strong markets in Norway and Saudi Arabia. During 2009 new markets have been initiated in North Africa, South East Asia and Australia. During 2009 the activity level of the wellbore clean out business suffered from the overall reduction in market volume.

The Well services group also operates the de-sander technology, which removes solids during workover operations. The de-sander was operated successfully in the North Sea and Saudi Arabia during 2009 and has been awarded a long term project by Saudi Aramco for 2010 which is expected to bring significant expansion to Wellservices. The de-sander technology is also showing strong signs of market growth in Norway and UK.

The third business line within AGR Drilling Services undertakes seabed excavation and trenching of subsea pipelines. After a promising start to 2009 the subsea construction and maintenance market activity level dropped significantly for the remainder of the year and AGR's business in this sector suffered as a result.

AGR Field Operations

EBITDA for AGR Field Operation was NOK 104 million compared to NOK 79 million for the same period last year. In 2009 additional charges of NOK 5 million has been made for a final calculation of bonuses related to 2008.

The AGR Field Operations division experienced a very good year in 2009, with a satisfying order intake seen in light of the business environment, continued growth in profitability and positive development of its products and services into new countries. As a result of growing demand for Field Operations' services, the business increased by nearly 100 employees. This growth was also accompanied by the best financial year to date.

As part of a strong demand for AGR Field Operations' technologies and services from the global Oil & Gas Industry, the business area opened two additional offices during 2009. Offices were opened in Houston, USA and Rio de Janeiro, Brazil. This development reflects the strategy of being present in the main Oil & Gas hubs. America will be an important future region for AGR Field Operations, and local presence and local staff will enable strong growth.

In Q3 2009 AGR Field Operations secured an extension of its contract with Statoil to inspect and certify its non-complex lifting equipment across Statoil North Sea and Barents Sea operations. The contract covers 30 offshore installations and 4 onshore facilities. The duration of the extension is 2 years, with additional 2 options, each 2 year. The extension has an estimated value of 32 MNOK. Including the remaining option, the total value is estimated to 96 MNOK.

In Q4 2009 AGR Field Operations signed a contract with Australian Worldwide Exploration Limited (AWE) for Operations and Maintenance of their Perth Basin assets. Field Operations has been managing the adjacent Cliff head field which is majority owned by AWE since 2006. The assets consist of 2 oilfields and 3 gas fields along with their associated production infrastructure. The contract has increased AGR Field Operations' workforce by 37 employees in Western Australia. The contract duration is for three year with estimated revenue of NOK 81 million.

The AWE contract is a vote of confidence for AGR Field Operations' model for the management of remote, marginal and declining assets by providing field owners with a cost effective and flexible operation while maintaining high standards of safety and technical integrity for their assets.

In addition to these important contract awards and extensions, AGR Field Operations secured a large number of smaller contracts and projects during the year. The amount of work secured during 2010 is promising for the future growth and market penetration for AGR Field Operations.

Through the year AGR Field Operations initiated a number of organizational changes to support planned future growth. AGR Field Operations appointed a dedicated manager for the Alternative Product line and a dedicated position for development of the Americas region.

Throughout 2009, AGR Field Operation experienced a growing demand for the new Subsea Inspection Technology. This resulted in the development of one additional unit that was made available to the market in September 2009.

Group / Other

Following a thorough review of the goodwill and intangible assets stemming from acquisitions and book value of own assets, management has in light of the current financial climate implemented some write downs in Q2 and Q4.

Group consists of corporate administration and special projects. The main cost element in 2009 is related to the Share Investment Program (EBC)[1]. In order to show the pure results in each division, all EBC related costs have been moved out of the divisions and into Group. The total Group cost in relation to this is NOK 30 million in 2009. This is partly offset by net gains on FX forward contracts with a total of NOK 11 million.

The development of the product CannSeal has been transferred to a separate company, AGR CannSeal AS. CannSeal is a tool that prevents infiltration of surface water and contaminants into open hole completed wells. In 2009 considerable testing was done with the CannSeal tool, both in module modus and as a system. The CannSeal tool will, if successful, provide a solution to one of the key challenges to reservoir management on the Norwegian continental shelf and internationally.

Discontinued operations

In February AGR signed a conditional agreement to sell AGR Dpal AS. However, the parties were not able to agree on the final terms and the agreement was therefore cancelled in May. Subsequently a decision to close the company was made and assets sales of property and building, machinery, and inventory have been conducted. Due to too restrictive sales regulations, the Board of FPSO Shiraz (50% AGR owned) decided to scrap the vessel according to internationally acclaimed procedures. This is expected to be completed within Q1 2010.

Financial Information

Funding

During 2009 the AGR Group was in discussions with its lenders DnBNOR / Nordea to adjust the Group's capital structure. In July 2009 the parties agreed and signed an amended and restated loan

[1] Refer to Note 25 in the Annual Report 2008 for more information about the Share Investment Program.

agreement. The loan structure consisted of a NOK 1 615 million term loan facility (of which NOK 150 million in USD equivalent and NOK 250 million in GBP equivalent), a NOK 250 million revolving credit facility and a bonding facility of USD 58 million. In order to meet the lender's requirement to the Group's equity, a rights offering raising gross proceeds of NOK 175 million were completed in September. The proceeds from the share issue and an additional NOK 100 million was prepaid on the term loans in Q3 2009 according to specified terms in the agreement. The remaining part of the term loans, NOK 1 340 million, matures over four years. The financial covenants were also reset and include gearing ratio, interest cover ratio, equity ratio and capital expenditure.

Other financial information

Turnover for the Group was NOK 2 390 million in 2009 compared to NOK 2 583 million in 2008. EBITDA for the Group was NOK 269 million compared to NOK 302 million in 2008. Profit after tax for the financial year 2009 was negative NOK 361 million compared to negative NOK 148 million in 2008. For more information about the results, see the divisional reports section.

Based on impairment testing of goodwill, other indefinite lived assets and finite lived assets in Q2 and Q4 2009, a total impairment charge of NOK 316 million has been made in the accounts for 2009. The majority, NOK 274 million, is related to goodwill and assets in AGR Drilling Services due to lower actual capacity utilization on certain equipment than anticipated in the impairment test made in 2008. After the current write downs there is no goodwill in the AGR Group accounts in relation to Drilling Services and the asset base values are aligned to expected utilization going forward. AGR Petroleum Services has also been affected by the slowdown in drilling activity and as a consequence of the impairment testing, NOK 41 million has been written down, mainly intangible values. The values in AGR Field Operations remain unchanged.

The Group had total assets of NOK 2 501 million at the end of 2009 which is a reduction from NOK 3 711 million at year end 2008. The main reasons for the reduction are the impairment charges, reduced receivables and payables and amortization of debt. At the end of 2009, the equity ratio was 25 percent.

Accumulated cash flow from the Group's operational activities was negative NOK 99 million. Net investments for the Group were NOK 52 million including the sales Deepwater Development Systems Inc (50% owned). The capital expenditure was mainly related to RMR equipment and development projects such as CannSeal. The Group had a total net cash flow of negative NOK 363 million in 2009 compared to NOK 255 million in 2008.

Net interest-bearing debt for the Group was NOK 1 242 million at the end of 2009 compared with NOK 1 246 million at the end of 2008. At the end of 2009, NOK 560 million of interest bearing debt is fixed through interest swaps constituting 42% of total interest bearing debt.

Earnings per share for 2009 were negative NOK 4.25 compared to negative NOK 2.09 for the same period in 2008.

Oslo, 26 February 2010

Board of AGR Group ASA

Financial consolidated information and notes

Basis of Preparation and Accounting Principles

This condensed consolidated interim financial information for the three and twelve months ended 30 December has been prepared in accordance with IAS 34, “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statement for the year ended 31 December 2008, which has been prepared in accordance with IFRS. This condensed consolidated interim information has not been audited.

The Board is committed to a plan to find new owners for Liquigas and an active plan in this regard has been initiated. A decision to sell and scrap the 50% owned FPSO Shiraz has been made by the JV Board, and this process will be completed during Q1 2010. Finally, it has been decided to close AGR DPAL AS. According to IFRS these operations have therefore been classified as discontinued operations and will be presented separately in the income statement and balance sheet.

Income statement

Income Statement	Actual	Actual	Actual	Actual
NOK 1.000	**01.10 - 31.12 2009**	**01.10 - 31.12 2008**	**01.01 - 31.12 2009**	**01.01 - 31.12 2008**
Operating revenue	659.759	708.506	2.389.943	2.582.861
Operating expenses before depreciation	(591.660)	(671.860)	(2.121.272)	(2.280.450)
EBITDA	**68.099**	**36.646**	**268.671**	**302.411**
Depreciation and amortization	(47.580)	(42.615)	(182.495)	(156.861)
Write downs and provisions	(110.636)	(135.725)	(315.693)	(141.786)
EBIT	**(90.117)**	**(141.694)**	**(229.517)**	**3.764**
Net financial items	(66.172)	(11.575)	(203.981)	(97.570)
Profit before taxes	**(156.289)**	**(153.269)**	**(433.498)**	**(93.806)**
Taxes	28.487	(35.190)	72.486	(54.218)
Profit after taxes	**(127.803)**	**(188.459)**	**(361.013)**	**(148.024)**
Profit for the year from discontinued ope	24.896	(198.081)	24.896	(198.081)
Profit from sale of subsidiaries	9.100	28.920	9.100	28.920
Result from discountinued operation	**33.996**	**(169.161)**	**33.996**	**(169.161)**
Profit after tax including discountinu	**(93.807)**	**(357.620)**	**(327.017)**	**(317.185)**

Key figures	Actual	Actual
NOK 1.000	**01.01 - 31.12 2009**	**01.01 - 31.12 2008**
Earnings per share/Diluted EPS	(4,25)	(2,09)

Balance Sheet

Balance Sheet	Actual	Actual
NOK 1.000	**31.12.2009**	**31.12.2008**
Fixed assets		
Deferred tax asset	130.150	32.412
Patents, research and development	185.425	431.304
Goodwill	901.849	1.081.435
Land and buildings		
Machinery and other equipment	513.477	599.587
Financial fixed assets	6.364	707
Total fixed assets	**1.737.265**	**2.145.445**
Current assets		
Inventory	10.551	17.055
Accounts receivable	589.449	1.024.802
Other receivables	120.695	91.918
Shares held for trading purposes		571
Assets of disposal group classified as held-for-sale	11.677	37.865
Cash and cash equivalents	30.863	393.508
Total current assets	**763.235**	**1.565.719**
Total assets	**2.500.500**	**3.711.165**
Equity		
Paid in capital	1.291.796	933.024
Other equity	(676.448)	(127.513)
Total equity	**615.348**	**805.511**
Long-term liabilities		
Provisions	42.356	93.354
Deferred tax liability	29.149	66.756
Convertible loans		-
Liabilities to financial institutions	1.098.334	-
Total long-term liabilities	**1.169.839**	**160.110**
Short-term liabilities		
Short-term liabilities	714.280	2.739.865
Liabilities of disposal group classified as held-for-sale	1.033	5.679
Total short-term liabilities	**715.313**	**2.745.544**
Total liabilities	**1.885.152**	**2.905.654**
Total equity and liabilities	**2.500.500**	**3.711.165**

Cash Flow Statement

Cash-flow Statement

	NOK 1.000	Year ended 31 December 2009	2008
1)	**Ordinary profit(loss) before taxes**	**(457.954)**	**(306.553)**
	Taxes paid	(55.397)	(9.110)
	Depreciation,amortisation and impairment of tangible assets	498.188	400.845
	Adjustment for market value on shares	482	2.902
	Share of loss/(profit) from associates	9.776	21.524
	Change in inventory	6.504	26.071
2)	Change in trade receivables	435.353	346.311
2)	Change in trade payables	(487.911)	(376.986)
	Change in pension liabilities	(1.047)	(4.794)
2)	Change in other accruals	(46.502)	56.206
	Net cash flow from operational activities	**(98.508)**	**156.416**
	Cash inflows from sale of property, plant and equipment and other assets	80.776	70.456
3)	Cash outflows for additions to property, plant and equipment and intangible assets	(123.016)	(316.299)
	Cash outflows for acquisitions less acquired cash		(122.955)
	Cash outflows for investments in associated companies	(9.795)	(20.100)
	Net cash flow from investment activities	**(52.035)**	**(388.898)**
	Issuance of debt	(381.518)	453.556
	Issuance of shares	169.416	33.800
	Net cash flow from finance activities	**(212.102)**	**487.356**
	Net change in cash and cash equivalents	**(362.645)**	**254.874**
	Cash and cash equivalents at start of period	**393.508**	**138.634**
	Cash and cash equivalents at end of period	**30.863**	**393.508**

1) Including profit before tax for discontinued operations
2) Adjustment for acquisition has been made in trade receivables, payables and other accruals.
3) Applies to fixed asset investments in existing operation as well as acquisition of new operation.

Equity reconciliation

Equity reconciliation		
NOK 1.000	01.01 - 31.12 2009	01.01 -31.12 2008
Equity at period start	**805.511**	**1.053.132**
Profit after taxes	(327.017)	(315.380)
Exchange differences	(10.853)	26.207
Minority interest	(16.957)	7.752
Share issue transaction costs		
Share issue	169.416	33.800
Treasury shares	(4.752)	
Equity at period end	**615.348**	**805.511**

Note 1 – Interest bearing debt

Net interest-bearing debt	Actual	Actual
NOK 1.000	**31.12.2009**	**31.12.2008**
Long term debt to credit institutions	1.098.334	0
Short term debt to credit institutions	174.187	1.639.748
Total interest-bearing debt	**1.272.521**	**1.639.748**
Cash and cash equivalents	30.863	393.509
Net interest-bearing debt	**1.241.658**	**1.246.239**

* According to IFRS the capitalized arrangement fee is deducted from the total interest-bearing debt in the above table and balance sheet. The gross interest-bearing debt is:

Gross interest-bearing debt	**1.310.160**	**1.665.298**

Note 2 – Segment Information

AGR reports segmented information on the following business units: *AGR Petroleum Services, AGR Drilling Services and AGR Field Operations. Group* consists of corporate administration and special projects.

Primary segment reporting per. 31.12.2009 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.028.698	315.684	1.035.578	11.427	(1.444)	2.389.943
Operating revenue, internal	9.744	11.085	30.970	5.375	(57.174)	-
Op. ex. before depr.	(911.306)	(256.329)	(962.399)	(49.854)	58.618	(2.121.272)
EBITDA	**127.136**	**70.440**	**104.149**	**(33.052)**	**-**	**268.671**
Depreciation and amortization	(49.615)	(77.648)	(54.387)	(845)		(182.495)
Write downs and provisions	(41.283)	(274.410)			-	(315.693)
EBIT	**36.238**	**(281.618)**	**49.762**	**(33.897)**	**-**	**(229.517)**
Net financial items	(106.671)	(95.257)	(39.214)	37.160	-	(203.981)
Profit before taxes	**(70.433)**	**(376.875)**	**10.548**	**3.263**	**-**	**(433.498)**
Taxes	14.731	66.379	(4.224)	(4.400)		72.486
Profit after taxes	**(55.702)**	**(310.496)**	**6.324**	**(1.137)**	**-**	**(361.013)**
Profit from the year from discontinued operations				24.896	-	24.896
Profit from sale of subsidiaries				9.100		9.100
Profit after taxes incl. disc. op.	**(55.702)**	**(310.496)**	**6.324**	**23.759**	**-**	**(327.017)**

* According to the revised strategic direction for the AGR Group, the corporate overhead has now been reduced and some build-up of administrative functions in the three business areas has been made to enable these to function autonomously. Consequently, going forward administrative shared services is included in the business areas. Historic information for 2008 has been adjusted accordingly.

Primary segment reporting year 2008 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.400.040	363.480	820.090	(749)		2.582.861
Operating revenue, internal	16.063	4.136	10.948	39.260	(70.408)	(1)
Op. ex. before depr.	(1.151.597)	(333.845)	(751.938)	(113.478)	70.408	(2.280.450)
EBITDA	**264.506**	**33.771**	**79.100**	**(74.967)**	**-**	**302.411**
Depreciation and amortization	(42.901)	(61.580)	(51.041)	(1.339)		(156.861)
Write downs and provisions	(399)	(131.937)	(2.452)	(6.998)	-	(141.786)
EBIT	**221.206**	**(159.746)**	**25.607**	**(83.304)**	**-**	**3.765**
Net financial items	42.118	(5.334)	(1.079)	(133.275)	-	(97.570)
Profit before taxes	**263.324**	**(165.080)**	**24.528**	**(216.579)**	**-**	**(93.805)**
Taxes	(83.000)	(1.602)	(24.965)	55.349	-	(54.218)
Profit after taxes	**180.324**	**(166.682)**	**(437)**	**(161.230)**	**-**	**(148.023)**
Profit from the year from discontinued operations				(198.081)	-	(198.081)
Profit from sale of subsidiaries			28.920			28.920
Profit after taxes incl. disc. op.	**180.324**	**(166.682)**	**28.483**	**(359.311)**	**-**	**(317.184)**

Note 3 – Geographical Distribution of Operating Income

Secondary segment reporting (NOK 1.000)		
Geographical distribution of oper	01.01 - 31.12 2009	01.01 - 31.12 2008
Norway	955.836	574.636
Europe ex. Norway	342.802	738.604
Australia	703.863	703.247
America	217.899	341.331
Africa and Middle East	169.544	225.043
Total	**2.389.943**	**2.582.861**

Note 4 - Financial Key Figures

Key figures	Actual	Actual	Actual	Actual
NOK	01.10 - 31.12 2009	01.10 - 31.12 2008	01.01 - 31.12 2009	01.01 - 31.12 2008
Average number of shares	125.882.683	71.210.808	84.882.683	70.783.308
Earnings per share/Diluted EPS	(1,02)	(2,65)	(4,25)	(2,09)
EBITDA-margin	10,3 %	5,2 %	11,2 %	11,7 %
EBIT-margin	-13,7 %	-20,0 %	-9,6 %	0,1 %
Equity ratio	24,6 %	21,7 %	24,6 %	21,7 %
Net interest bearing debt (NOK 1000)	1.241.658	1.246.239	1.241.658	1.246.239

Note 5 – Statement of Comprehensive Income

Statement of comprehensive income	Twelve months ended 31 December 2009	2008
Profit for the period	**(327.017)**	**(317.184)**
Other comprehensive income		
Fair value gains on available-for-sale financial assets, net of tax		
Cash flow hedges, net of tax		
Currency translation differences	(10.853)	26.207
Other comprehensive income for the period, net of tax		
Total comprehensive income for the period	**(337.870)**	**(290.977)**
Profit attributable to:		
- owners of the company	(324.885)	(315.381)
- minority interest	(2.132)	(1.803)

Note 6 – Impairment testing

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The AGR management has undertaken an impairment test at Q2 2009 and at Q4 2009. For the purpose of the impairment test goodwill was allocated to the operating segments. The operating segment is the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount was determined as the fair value of the goodwill less cost to sell. To calculate fair value of cost to sell, the discounted cash flow method was applied. The discounted cash flow method was applied with the following assumptions:

Cash flows were projected based on actual operating results and an updated 3-year business plan. For year 4 and year 5, an annual growth rate consistent with the average growth rate for the industry was applied. For the residual value the growth rate was set equal to inflation (2,5 percent). A post-tax weighted average cost of capital (WACC) of 11-13 percent was applied, depending on the segment, for determining the recoverable amount. The WACC was estimated based on a comparable group of companies with a debt leveraging of 19 percent and a market interest rate of 4 percent.

Note 7 – Related party transactions

There are no significant transactions that affect the company's financial position.