AGR Group ASA

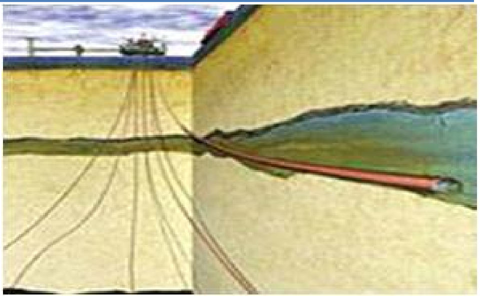
Interim Report
4th quarter and 2010

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

Primary segment reporting Q4 2010 only (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	281.231	94.845	259.646	543	1.548	637.813
Operating revenue, internal	5.202	6.078	6.056	3.247	(20.583)	0
Op. ex. before depr.	(261.082)	(86.877)	(247.914)	(10.581)	19.035	(587.418)
EBITDA	**25.351**	**14.045**	**17.788**	**(6.790)**	**-**	**50.395**
Depreciation and amortization	(9.418)	(17.228)	(16.423)	(223)	-	(43.292)
Write downs and provisions	(121)	-	-	-	-	(121)
EBIT	**15.813**	**(3.183)**	**1.365**	**(7.013)**	**-**	**6.983**

Primary segment reporting Q4 2009 only (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	259.980	100.834	304.309	(1.025)	1.549	665.647
Operating revenue, internal	(1.554)	(1.314)	15.313	498	(12.943)	0
Op. ex. before depr.	(228.444)	(69.426)	(304.755)	(6.167)	11.394	(597.395)
EBITDA	**29.982**	**30.095**	**14.867**	**(6.694)**	**-**	**68.252**
Depreciation and amortization	(6.862)	(20.837)	(14.334)	(223)	-	(42.256)
Write downs and provisions	(41.283)	(74.677)	-	-	-	(115.961)
EBIT	**(18.163)**	**(65.420)**	**533**	**(6.917)**	**-**	**(89.964)**

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

AGR Group

Operating revenue for the Group for the fourth quarter of 2010 was slightly down compared to the same quarter previous year. The EBITDA ended on NOK 50 million compared to NOK 68 million in the last quarter of 2009 mainly as a consequence of reduced result in AGR Drilling Services after the record high result in Q4 2009.

Divisional Reports

AGR Petroleum Services

Due to increased activity the operating revenues increased from NOK 260 million in Q4 2009 to NOK 281 million in the last quarter of 2010. The EBITDA showed a slight reduction compared to the same period in 2009 mainly due to some extraordinary cost in Q4 2010. The division delivered a Q4 EBITDA of NOK 25 million compared to NOK 30 million in Q4 2009.

The market continues to improve, and especially in UK the market now seem to have stabilized on a good level. The activity level within Well Management was good in the fourth quarter and during the quarter AGR Petroleum Services managed 6 wells including the last well in the extension of the successful Bredford Dolphin Consortium for RWE-DEA.

The focus on the well software P1 is still strong and new contracts have been signed and several proposals are being evaluated by clients.

The Reservoir and Field Management business has continued to increase the activity level in the UK and Russia while it has been slightly slower in Norway compared to the other regions. In UK and Russia several contracts were closed during Q4, and in addition the business has kept a steady workload from new and old clients.

AGR Drilling Services

The activity level in the last quarter of 2010 was high for AGR Drilling Services and revenues almost matched the record high revenues from the same quarter in 2009 while the EBITDA for Q4 2010 was NOK 15 million compared to NOK 30 million for Q4 2009.

The RMR activity level in Q4 was the highest to date with 16 wells drilled during the quarter. The activity levels both in the Caspian region and on the Norwegian Continental Shelf were high, while there was no RMR activity in the Gulf of Mexico as a result of the moratorium put in place by the American authorities.

Within the Well Services product line, the activity for wellbore cleanout tools picked up during Q4. At the end of the year the activity level is now at par with 2009 both in Saudi Arabia and Norway. The activity for the Dynamic Desander services in Saudi Arabia was high with three active units in Q4. This demonstrates the increased acknowledgement and application of the unique Dynamic Desander technology. The number of active Desanders is expected to further increase in 2011, both in Saudi Arabia and on the Norwegian Continental Shelf.

The main activity of the Trenching & Excavation product line was the ongoing management of the Gorgon excavation project, awarded in Q2 2010. This project will continue through Q1 2011, when the project goes into its final execution phase offshore. Worldwide, many other projects have been delayed until 2011 by the operators, and AGR expects to get a share of these.

AGR Field Operations

EBITDA for the fourth quarter of 2010 was NOK 18 million compared to NOK 15 million for the same period last year. In the fourth quarter AGR Field Operations had a successful start-up of the new in-service inspection contract with Statoil on the Norwegian Continental Shelf. The contract started on October 1st and doubles the activity within in-service inspection. Within pipeline integrity the business experienced very high activity level. The business had projects in Norway, USA, Denmark, Russia and Qatar during the quarter. All personnel and resources have been fully utilized during the year.

In October, AGR Field Operations was awarded an extension of a surface management contract with Statoil with duration of 24 months and an estimated value of NOK 40 million. In December AGR Field Operations was awarded the EPCM for Phase-2 of the CO2CRC Otway Basin Pilot Project for Geo-sequestration research with an estimated value of NOK 20 million over the next 12 months with work starting immediately.

In November ROC Oil and its joint venture partners decided to take the Basker Manta Gummy field into a non-production phase. AGR Field Operations is currently the duty holder on the Basker Manta Gummy field and is operating the field on behalf of ROC and its partners. Due to the decision made by the joint venture, the Operations & Maintenance team is now planning the shutdown and preservation of the field. When Basker Manta Gummy operations are completed, the revenue from the Operations & Maintenance product line will be reduced in the short term.

During the quarter, AGR Field Operations launched several new products to the market, both ultrasonic technology products and subsea integrity solutions.

Group / Other

Group consist of corporate administration and special projects. Group costs are at the same level as the same period in 2009.

2010 MANAGEMENT REPORT

Primary segment reporting per. 31.12.2010 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.090.930	341.242	1.048.548	1.436	1.243	2.483.399
Operating revenue, internal	11.220	13.024	21.222	11.647	(57.113)	0
Op. ex. before depr.	(952.969)	(288.916)	(963.375)	(29.867)	55.870	(2.179.258)
EBITDA	**149.181**	**65.349**	**106.395**	**(16.784)**	**-**	**304.142**
Depreciation and amortization	(40.839)	(69.140)	(59.599)	(934)	-	(170.512)
Write downs and provisions	(1.533)	-	-	-	-	(1.533)
EBIT	**106.810**	**(3.791)**	**46.796**	**(17.718)**	**-**	**132.097**

Primary segment reporting per. 31.12.2009 (NOK 1.000)						
Business segments	**Petroleum Services**	**Drilling Services**	**Field Operations**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1.028.837	315.684	1.039.202	11.427	681	2.395.831
Operating revenue, internal	9.744	11.085	33.095	5.374	(59.298)	-
Op. ex. before depr.	(911.301)	(256.329)	(968.142)	(49.855)	58.617	(2.127.008)
EBITDA	**127.280**	**70.440**	**104.155**	**(33.054)**	**-**	**268.823**
Depreciation and amortization	(49.615)	(77.648)	(54.387)	(845)		(182.495)
Write downs and provisions	(41.283)	(274.410)			-	(315.693)
EBIT	**36.382**	**(281.618)**	**49.768**	**(33.899)**	**-**	**(229.365)**

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 Group

Operating revenue for the Group grew from NOK 2 395 million in 2009 to NOK 2 483 million 2010. Based on improvements, mainly in AGR Petroleum Services, and significantly reduced costs in relation to the AGR Share Investment Program (EBC), the EBITDA for the Group was NOK 304 million compared to NOK 269 million in 2009.

Divisional Reports

AGR Petroleum Services

AGR Petroleum Services experienced increased activity in 2010 compared to 2009, and EBITDA increased from NOK 127 million in 2009 to NOK 149 million in 2010. As the market has recovered from the financial turmoil and the oil price is strengthening, clients are looking to increase their exploration studies, reservoir and field studies and drilling operations. Specifically the well management activity is recovering in the UK and Norway as new contracts are won and planning of wells for 2011 have begun in 2010. Australia and Middle East are still slow regions, however increased activity has materialized towards the latter part of 2010. The US office has maintained its activity level, as it has only been moderately affected by the Deepsea Horizon accident. 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 quarter of 2010.

The Well Management division 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 South Atlantic to its areas of operations. 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 market-access to run their well operations safely and cost effectively remains. During the year the Well Management business finalized 31 wells in Australia, UK, US and Norway compared to 24 wells in 2009.

Continuous focus on the probabilistic well planning tool, P1™ combined with additional focus on marketing has during 2010 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 during 2010 with many new clients, but also with Multi Client Study sales in existing markets. Business development efforts have resulted in an increase in study and tender activities and 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 to 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. The operational activity has increased compared to 2009. This has resulted in 250 consultants operating at the end of the year.

AGR Drilling Services

EBITDA for AGR Drilling Services for 2010 was NOK 65 million compared to NOK 70 million last year. The division develops and supplies market-leading technologies and services for the offshore oil and gas market. The division consists of 3 Product Lines; Enhanced Drilling Services (EDS), Well Services (WS) and Trenching & Excavation (T&E).

Enhanced Drilling Services has the Riserless Mud Recovery system (RMR) as one of its cornerstones. The RMR technology,which is developed, owned and patented by AGR, includes a subsea pump that enables a closed loop circulation system to be used on the Riserlesshole sections. It improves drilling operations by reducing the risk and cost of drilling the top-hole sections. The system also replaces "pump-and-dump" and ensures zero discharge to the environment.

In 2010, 30 wells were drilled with the RMR fleet. The technology gained further acceptance in the market and the number of frame contracts increased significantly. The number of clients increased from 16 to 22. In December 2010, a 2-year contract was signed with Petrobras for the provision of RMR in Brazil. Due to a moratorium, the activity in the Gulf of Mexico (GoM) did not materialize as expected. As the moratorium is now lifted, the RMR activity in the GoM is expected to pick up.

During 2010, the RMR system was further developed to be used as a Managed Pressure Drilling (MPD) and Managed Pressure Cementing (MPC) service. During drilling with a riser or conductor pipe, the RMR pumping system can be effectively used to manage the bottom hole pressure of a well. During a cement job, the returns are channeled through the RMR pump, the back-pressure controlled and thus optimising the hydraulic isolation of the well structure. In challenging zones where the RMR will ease and in some cases enable the drilling of the well, MPC can now help with the cement job.

In 2010, further conceptual studies were undertaken to utilize the RMR system in Managed Pressure Drilling applications, where conventional drilling practices are not sufficient to reach the reservoir. EC-Drill, a technology for managing ECD (Equivalent Circulating Density) effects, and CMP (Controlled Mud Pressure) are expected to be implemented and commercialized in 2011 and 2012. These enabling technologies are based on patents, core technology, product base and know-how from the RMR.

The development of RDS (Riserless Drilling System) will continue in 2011. It enables the construction of the entire well without the use of a marine riser. It represents a step change in risk reduction, in particular in deep water.

Well Services provides clean-out tools used to remove debris from inside the wellbore. The main markets are in Norway and Saudi Arabia, both of which experienced reduced activity during 2010 compared to 2009. Activities are expected to come back to 2009 levels during 2011. New markets have been identified and are being targeted in Malaysia and Brazil.

Well Services also operates the Dynamic Desander technology, which removes solids during work-over operations. The de-sander was operated successfully in the North Sea and Saudi Arabia during 2010 and saw an increase in activity during the second half of the year.

Trenching & Excavation undertakes seabed excavation and trenching of subsea pipelines. This market suffered from very low activity worldwide in 2010, resulting in negative financial results for the T&E Product Line. The market is however showing strong signs of recovery. The trenching for the world-class Gorgon project was awarded to AGR in Q2 2010. Approximately 40% of this job was executed in 2010, the rest will take place during Q1 2011.

AGR Field Operations

AGR Field Operations experienced continued growth during 2010 with the strongest order intake ever recorded in the division. The EBITDA was NOK 106 million compared to NOK 104 million in 2009. The business performance during 2010 was negatively affected by the downturn within onshore non-destructive testing (NDT) in Norway in the beginning of the year as well as temporary reduced volumes from Statoil within several disciplines due to renewal of contracts. During the year these challenges have been handled through a change of focus and strategy for the conventional NDT business which has shown a strong development towards the end of the year. In November the joint venture partners of the Basker Manta Gummy field decided to enter into a non production phase. For AGR Field Operations this had a negative effect on the business and might result in a reduced activity level within the Operations and Maintenance product line during second half of 2011.

In 2010 AGR Field Operations secured a significant number of new contracts and contract extensions. The amount of work secured during 2010 builds the basis for continued growth in 2011. The most notable contract award in 2010 was the new four year contract with Statoil ASA for in-service inspection on 24 of their assets on the Norwegian Continental Shelf with an estimated contract value, including 2+2 year options, of more than NOK 750 million. The award represented a significant growth in the long term relationship between Statoil and AGR Field Operations, and more than doubles the volume for AGR within in-service inspection. Furthermore, in Q2 Statoil exercised an option to extend two other current framework agreements for another two years. These contracts where for provision of pipeline integrity services and maintenance engineering services. The extensions have an estimated value of NOK 30 million for the pipeline integrity contract and NOK 40 million for the maintenance engineering contract. Total remaining value including options for these two contracts has an estimated value of NOK 140 million. During Q2 AGR Field Operations also entered into important Master Service Agreements with PTTEP Australasia, ConocoPhillips Australia and Westside Corporation Limited.

AGR Field Operations experienced a breakthrough in the Americas region with a number of projects secured for specialized inspection services in South America. These awards confirm the global demand for AGR Field Operations unique products and concepts.

During Q4 2010 AGR Field Operations finalized and launched a number of new ultrasonic products. A new more robust Handy Scan product tailored for field work in harsh environments has been developed and represents a very important development for the Technology Design product portfolio.

During 2010 AGR Field Operations initiated several organizational changes to further strengthen the management team and position the business for future growth. In the first quarter AGR Field Operations appointed a dedicated position for heading up the development of the Americas region. A new head of the Asia Pacific region was also appointed in addition to a Country Manager for Brazil. These actions are regarded as strategic moves reflecting the growth strategy of AGR Field Operations globally and are expected to contribute to steady growth within each of these regional areas.

Group / Other

Group consist of corporate administration and special projects. In order to show pure results in each division, all costs related to the AGR Share Investment Program (EBC)[1] have been moved out of the divisions and into Group.

Group costs are significantly reduced in 2010 compared to the same period last year. The main reason is that AGR in Q1 2009 expensed the remaining part of the Group's initial investment in the EBC and that some of the cost accruals for the guarantee granted by the Board at the same time were released in 2010 based on a positive development in the share price of AGR[2]. In September 2010 AGR Group closed the EBC and introduced a new co-investment program in AGR Drilling Services and AGR Field Operations. A similar program will be introduced in AGR Petroleum Services in the first quarter of 2011.

Going into 2011 the CannSeal tool is ready for field trial and commercialization.

Other financial information

Profit after tax for continued operations in 2010 was positive NOK 6 million compared to negative NOK 350 million for the same period in 2009. The improvement is due to improved operational performance in 2010 and impairment charges of NOK 316 million in 2009, mainly related to goodwill and assets in AGR Drilling Services. For more information about the results, see the divisional reports section.

The Group had total assets of NOK 2 655 million at the end of 2010 which is a slight increase from NOK 2 522 million at year end 2009. This is mainly due to an increase in receivables, payables and equity and a reduction in debt. At the end of the fourth quarter 2010, the equity ratio was 26 percent.

Accumulated cash flow from the Group's operational activities was NOK 278 million mainly due to a reduction in working capital. Net investments for the Group were NOK 112 million. The capital expenditure was mainly related to AGR Field Operations equipment, positioning AGR for future growth in new geographies, RMR equipment and development projects such as CannSeal and the CMP. The debt was reduced with NOK 146 million, and the Group had a total net cash flow of positive NOK 14 million in 2010 compared to negative NOK 362 million in 2009.

Net interest-bearing debt for the Group was NOK 1 091 million at the end of 2010 compared with NOK 1 241 million at the end of 2009. At the end of 2010, NOK 878 million of interest bearing debt is fixed through interest swaps/options constituting 70% of total interest bearing debt.

Earnings per share for 2010 were positive NOK 0.05 compared to negative NOK 4.12 for 2009.

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[1] Refer to Note 37 in the Annual Report 2009 for more information about the AGR Share Investment Program.
[2] Refer to the Q1 2009 Report

Oslo, 28 February 2011

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 31 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 2009, which has been prepared in accordance with IFRS. This condensed consolidated interim information has not been audited.

The tax cost is a preliminary estimate.

Condensed consolidated income statement

Income Statement	Actual	Actual	Actual	Actual
NOK 1.000	**01.10 - 31.12 2010**	**01.10 - 31.12 2009**	**01.01 - 31.12 2010**	**01.01 - 31.12 2009**
Operating revenue	637.813	665.647	2.483.399	2.395.832
Operating expenses before depreciation	(587.418)	(597.395)	(2.179.258)	(2.127.009)
Operating profit before depreciation (EBITDA)	**50.395**	**68.252**	**304.141**	**268.822**
Depreciation and amortisation	(43.292)	(42.256)	(170.512)	(182.495)
Write downs and provisions	(121)	(115.961)	(1.533)	(315.693)
Operating profit (EBIT)	**6.983**	**(89.964)**	**132.096**	**(229.366)**
Net financial items	(20.102)	(65.149)	(113.659)	(202.958)
Profit before taxes	**(13.119)**	**(155.114)**	**18.437**	**(432.324)**
Taxes	(1.981)	38.234	(12.080)	82.234
Profit after taxes	**(15.100)**	**(116.880)**	**6.357**	**(350.090)**
Profit after tax from discontinued operations	(908)	26.891	(2.545)	18.069
Gain from sale of discontinued operations		9.100	-	9.102
Result from discountinued operations	**(908)**	**35.991**	**(2.545)**	**27.171**
Profit/(loss) for the year	**(16.008)**	**(80.889)**	**3.810**	**(322.919)**

Key figures	Actual	Actual
	01.01 - 31.12 2010	**01.01 - 31.12 2009**
Earnings per share/Diluted EPS	0,05	(4,12)

Condensed consolidated balance sheet

Balance Sheet	Actual	Actual
NOK 1.000	**31.12.2010**	**31.12.2009**
Fixed assets		
Deferred tax asset	173.237	137.422
Patents, research and development	183.214	185.911
Goodwill	921.887	901.849
Land and buildings	33	44
Machinery and other equipment	467.621	513.805
Financial fixed assets	32.885	120
Total fixed assets	**1.778.877**	**1.739.151**
Current assets		
Inventory	13.266	10.674
Accounts receivable	692.535	634.057
Other receivables	124.757	93.453
Shares held for trading purposes	93	-
Assets of disposal group classified as held for sale	-	13.457
Cash and cash equivalents	45.519	31.645
Total current assets	**876.170**	**783.286**
Total assets	**2.655.047**	**2.522.437**
Equity		
Paid in capital	1.075.709	1.097.688
Other equity	(421.715)	(478.388)
Non-controlling interests	25.379	-
Total equity	**679.373**	**619.300**
Long-term liabilities		
Provisions	18.429	42.708
Deffered tax liability	14.389	26.996
Other longterm liability	-	-
Liabilities to financial institutions Note 1	877.949	1.098.435
Total long-term liabilities	**910.767**	**1.168.139**
Short-term liabilities		
Liabilities of disposal group classified as held for sale	-	1.033
Short-term liabilities Note 1	1.064.907	733.965
Total short-term liabilities	**1.064.907**	**734.998**
Total liabilities	**1.975.674**	**1.903.137**
Total equity and liabilities	**2.655.047**	**2.522.437**

Condensed consolidated statement of comprehensive income

Statement of comprehensive income	Actual	Actual
NOK 1.000	Twelve months ended 31 December	
	2010	2009
Profit for the period	**3.811**	**(322.918)**
Other comprehensive income	-	-
Fair value gains on available-for-sale financial assets, net of tax	-	-
Cash flow hedges, net of tax	-	-
Currency translation differences	34.830	(10.999)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	**38.641**	**(333.917)**
Profit attributable to:		
- owners of the company	3.877	(320.786)
- non-controlling interest	(65)	(2.132)

Condensed consolidated statement of cash flow

Cash-flow Statement		
NOK 1.000	01.01 - 31.12 2010	01.01 - 31.12 2009
Ordinary profit(loss) before taxes	**16.029**	**(456.380)**
Taxes paid	(48.712)	(55.397)
Share of loss/profit from sales of subsidiaries		-
Depreciation and amortization of tangible assets	172.045	498.188
Adjustment for market value on shares		482
Share of loss/profitt from associates	2.668	9.776
Financial items without cash-impact	7.924	-
Change in inventory	(2.592)	6.381
Change in trade receivables	(58.478)	390.745
Change in trade payables	199.042	(486.921)
Change in pension liabilities	1.247	(1.047)
Change in other accruals	(10.969)	(3.552)
Net cash-flow from operating activities	**278.204**	**(97.725)**
Cash inflows from sale of property, plant and equipment and other assets	1.713	80.776
Cash inflows from sale of subsidiary		-
Cash outflows for additions to property, plant and equipment and intangible assets	(112.213)	(123.016)
Cash outflows for acquisitions less acquired cash		-
Cash outflows for investments in associated companies	(260)	(9.795)
Change asset/liabilities held-for-sale		-
Net cash-flow from investment activities	**(110.760)**	**(52.035)**
Issuance of debt	(146.821)	(381.518)
Cash inflows from sale of shares in subsidiaries	15.230	-
Purchase of treasury shares	(21.979)	-
Issuance of shares	-	169.416
Net cash-flow from financing activities	**(153.570)**	**(212.102)**
Net changes in cash and cash equivalents	**13.874**	**(361.862)**
Cash and cash equivalents at period start	**31.645**	**393.508**
Cash and cash equivalents at period end	**45.519**	**31.645**

Condensed consolidated statement of changes in equity

Equity reconciliation		
NOK 1.000	01.01 - 31.12 2010	01.01 - 31.12 2009
Equity at period start	**619.300**	**805.511**
Profit after taxes	3.811	(322.919)
Exchange differences	34.830	(10.999)
Capital contribution from minority interest	43.411	(16.957)
Share issue	-	169.416
Treasury shares	(21.979)	(4.752)
Equity at period end	**679.373**	**619.300**

Note 1 – Interest bearing debt

Net interest-bearing debt	Actual	Actual
NOK 1.000	31.12.2010	31.12.2009
Long term debt to credit institutions	877.847	1.098.435
Short term debt to credit institutions	258.840	174.234
Total interest-bearing debt	**1.136.687**	**1.272.669**
Cash and cash equivalents	45.519	31.645
Net interest-bearing debt	**1.091.168**	**1.241.024**

- According to IFRS the capitalized arrangement fee is deducted from the total net interest-bearing debt in the above table and balance sheet

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. 31.12.2010 (NOK 1.000)

Business segments	Petroleum Services	Drilling Services	Field Operations	Group	Elimin.	Total
Operating revenue, external	1.090.930	341.242	1.048.548	1.436	1.243	2.483.399
Operating revenue, internal	11.220	13.024	21.222	11.647	(57.113)	0
Op. ex. before depr.	(952.969)	(288.916)	(963.375)	(29.867)	55.870	(2.179.258)
EBITDA	**149.181**	**65.349**	**106.395**	**(16.784)**	**-**	**304.142**
Depreciation and amortization	(40.839)	(69.140)	(59.599)	(934)	-	(170.512)
Write downs and provisions	(1.533)	-	-	-	-	(1.533)
EBIT	**106.810**	**(3.791)**	**46.796**	**(17.718)**	**-**	**132.097**
Net financial items	(66.342)	(39.412)	(23.540)	(107.903)	123.538	(113.659)
Profit before taxes	**40.467**	**(43.204)**	**23.256**	**(125.621)**	**123.538**	**18.437**
Taxes	(8.200)	4.496	(8.318)	(58)	-	(12.080)
Profit after taxes	**32.267**	**(38.707)**	**14.938**	**(125.679)**	**123.538**	**6.357**
Profit after tax from discontinued operations	-	-	-	(2.545)	-	(2.545)
Profit/(loss) for the year	**32.267**	**(38.707)**	**14.938**	**(128.224)**	**123.538**	**3.812**

Primary segment reporting per. 31.12.2009 (NOK 1.000)

Business segments	Petroleum Services	Drilling Services	Field Operations	Group	Elimin.	Total
Operating revenue, external	1.028.837	315.684	1.039.202	11.427	681	2.395.832
Operating revenue, internal	9.744	11.085	33.095	5.374	(59.298)	-
Op. ex. before depr.	(911.301)	(256.329)	(968.142)	(49.855)	58.617	(2.127.009)
EBITDA	**127.280**	**70.440**	**104.155**	**(33.054)**	**-**	**268.823**
Depreciation and amortization	(49.615)	(77.648)	(54.387)	(845)		(182.495)
Write downs and provisions	(41.283)	(274.410)			-	(315.693)
EBIT	**36.382**	**(281.618)**	**49.768**	**(33.899)**	**-**	**(229.365)**
Net financial items	(105.604)	(95.257)	(39.212)	39.197	(2.082)	(202.958)
Profit before taxes	**(69.222)**	**(376.875)**	**10.556**	**5.298**	**(2.082)**	**(432.323)**
Taxes	19.271	66.379	(4.361)	944		82.234
Profit after taxes	**(49.951)**	**(310.496)**	**6.195**	**6.242**	**(2.082)**	**(350.089)**
Profit after tax from discontinued operations				27.169	-	27.171
Profit/(loss) for the year	**(49.951)**	**(310.496)**	**6.195**	**33.411**	**(2.082)**	**(322.918)**

Note 3 – Geographical Distribution of Operating Income

Secondary segment reporting (NOK 1.000)		
Geographical distribution of operating income	01.01 - 31.12 2010	01.01 - 31.12 2009
Norway	862.567	961.725
Europe ex. Norway	329.693	342.802
Australia	684.477	703.863
America	202.581	217.899
Africa	404.082	169.544
Total	**2.483.399**	**2.395.832**

Note 4 - Financial Key Figures

Key figures	Actual	Actual	Actual	Actual
	01.10 - 31.12 2010	01.10 - 31.12 2009	01.01 - 31.12 2010	01.01 - 31.12 2009
Average number of shares	125.898.308	125.898.308	125.898.308	84.882.683
Earnings per share/Diluted EPS	-0,12	-0,93	0,05	-4,12
EBITDA-margin	7,9 %	10,3 %	12,2 %	11,2 %
EBIT-margin	1,1 %	-13,5 %	5,3 %	-9,6 %
Equity ratio	25,6 %	24,6 %	25,6 %	24,6 %
Net interest bearing debt	1.091.168	1.241.024	1.091.168	1.241.024

Note 5 – Related party transactions

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

Note 6 – Subsequent events

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