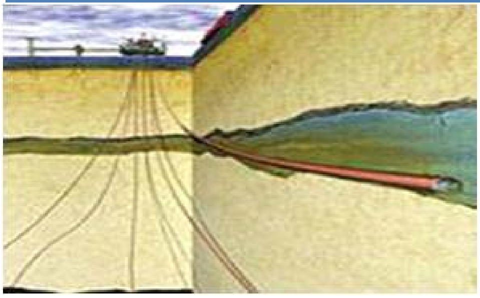
AGR Group ASA

Interim Report
4th quarter and 2011

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. The division is investing substantially in R&D for enhanced drilling solutions (EDS). This is technology to improve safety- and environmental control, enable drilling of difficult wells and improve drilling performance significantly. The technology has been successfully deployed on more than 500 wells for the top hole section. In addition, the division has during 2011 introduced EC-drill, taking the technology post the BOP.

Field Operations (discontinued)

AGR Field Operations was sold to Oceaneering AS, a wholly owned subsidiary of Oceaneering International Inc, in a transaction that was closed on 20th December 2011.

According to IFRS this business is presented as “Discontinued operations” on a separate line of the income statement, balance sheet and cash flow statement in this report.

Q4 MANAGEMENT REPORT

Primary segment reporting Q4 2011 only (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	322,419	104,439	2,802	(21,978)	407,682
Operating revenue, internal	3,194	129	2,775	(6,098)	(0)
Operating expenses before depreciation	(285,972)	(88,037)	(25,934)	28,076	(371,867)
EBITDA	**39,641**	**16,531**	**(20,357)**	**-**	**35,814**
Depreciation and amortization	(5,766)	(27,353)	(854)	-	(33,972)
Write downs and provisions	-	-	-	-	-
EBIT	**33,875**	**(10,821)**	**(21,212)**	**-**	**1,842**

Primary segment reporting Q4 2010 only (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	283,305	94,845	(730)	1,548	378,967
Operating revenue, internal	5,202	6,078	3,522	(14,801)	0
Operating expenses before depreciation	(263,155)	(86,877)	(10,770)	13,253	(347,550)
EBITDA	**25,351**	**14,045**	**(7,979)**	**-**	**31,418**
Depreciation and amortization	(9,418)	(17,228)	(1,105)	-	(27,750)
Write downs and provisions	(121)	-	-	-	(121)
EBIT	**15,813**	**(3,183)**	**(9,083)**	**-**	**3,547**

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 in Q4 2011 increased by NOK 28 mill compared to the same quarter previous year. The EBITDA ended on NOK 36 million compared to NOK 31 million in the last quarter of 2010.

On 20th December 2011 AGR announced that it had closed a transaction whereby its Field Operations division was sold to Oceaneering AS. The price was NOK 1,365 million on an enterprise value basis. AGR has developed Field Operations over many years into an exciting, global organization. AGR believes Oceaneering will be very well positioned to facilitate further growth.

The cash tax effect from the sale will be marginal, and the Board will in due time consider submitting a dividend payment proposal to the Annual General Meeting.

In this report AGR Field Operations is presented as “Discontinued Operations” on a separate line of the income statement, balance sheet and cash flow statement.

Divisional Reports

AGR Petroleum Services

Operating revenues increased significantly from NOK 288 million in Q4 2010 to NOK 325 million in the last quarter of 2011. EBITDA increased from NOK 25 million in Q4 2010 to NOK 40 million in Q4 2011.

With the award of the Statoil well management frame contract and the on-going Borgland Consortium, Norway has secured a good backlog into 2012. The UK business has stabilized and has been awarded contracts in southern parts of Africa and America.

The activity level within Well Management was high in the fourth quarter. AGR Petroleum Services spudded 7 wells, where of 4 wells were spudded out of the UK, 2 in the US and 1 in Norway.

Reservoir and Field Management business continued to increase the activity level in the UK and after a slow start to the year Norway picked up and performed well in the last quarter of the year. Both Reservoir UK and Norway are working towards clients in Israel as a joint effort across the regions.

Efforts on the well software P1 is still strong and new contracts with RWE and Dong have been signed and several proposals are being evaluated by clients.

During 2011 AGR established AGR Energy. This company was granted eight oil & gas exploration licenses offshore of Israel. AGR will act as operator with a 5% license ownership.

AGR Drilling Services

The activity level in the last quarter of 2011 for AGR Drilling Services increased compared to Q4 2010. EBITDA ended at NOK 17 million compared to NOK 14 million in the last quarter of 2010

During Q4 the RMR system was applied on an exploratory well, making it possible to reach a total section depth of 1,905 meters when Casing While Drilling (CWD). The depth reached sets a new world record for the technique.

Tools & Technology continued to see high activity through the 4th quarter, continuing the trend from the two previous quarters. The Seabed Intervention (previously Trenching & Excavation) product line was the main contributor, as the extension of the work for Shell for the seabed levelling and pre-laying trenching of the Ormen Lange field continued into the 4th quarter.

In Well Services, the activity level within the Wellbore Cleanout product line continued to be steady, in line with previous quarters. For the Dynamic Desander, significant preparation work for upcoming long-term activity on the Norwegian Continental Shelf took place. Paired with improved utilisation of the equipment in Saudi Arabia, this caused an increase in revenue for 4th quarter.

Group / Other

Group consist of corporate administration, Cannseal and Marine Engineering. In Q4 2011 an accrual for separation cost of NOK 10 mill was made which relates to the sale of Field Operations. In addition AGR Marine Engineering made an accrual for bad debt of NOK 2 mill. Adjusted for the accruals Group costs are at the same level as the same period in 2010.

2011 MANAGEMENT REPORT

Primary segment reporting per. 31.12.2011 (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1,155,036	710,330	9,852	(21,694)	1,853,524
Operating revenue, internal	13,132	206	11,578	(24,916)	(0)
Operating expenses before depreciation	(1,017,662)	(570,449)	(64,842)	46,610	(1,606,342)
EBITDA	**150,506**	**140,087**	**(43,411)**	**-**	**247,182**
Depreciation and amortization	(24,629)	(78,585)	(3,514)	-	(106,728)
Write downs and provisions	-	-	-	-	-
EBIT	**125,877**	**61,502**	**(46,925)**	**-**	**140,454**

Primary segment reporting per. 31.12.2010 (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1,093,004	341,242	9,767	1,243	1,445,256
Operating revenue, internal	11,220	13,024	12,146	(36,390)	0
Operating expenses before depreciation	(955,043)	(288,916)	(39,063)	35,147	(1,247,875)
EBITDA	**149,181**	**65,349**	**(17,149)**	**-**	**197,382**
Depreciation and amortization	(40,839)	(69,140)	(2,104)	-	(112,084)
Write downs and provisions	(1,533)	-	-	-	(1,533)
EBIT	**106,809**	**(3,791)**	**(19,253)**	**-**	**83,764**

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

At the end of 2011 AGR announced that the Field Operations division was sold to Oceaneering AS.

Excluding Field Operations, operating revenue for the Group grew from NOK 1 445 million in 2010 to NOK 1 854 million 2011, mainly due to increased activity in Drilling Services. EBITDA for the Group ended at NOK 247 million compared to NOK 197 million in 2010.

Divisional Reports

AGR Petroleum Services

AGR Petroleum Services experienced steady activity in 2011 compared to 2010, and EBITDA ended at NOK 150 million in 2011 compared to NOK 149 million in 2010.

The Well Management division provides oil companies with drilling services, including planning, operations and reporting of wells. The Well Management activity in Norway has been at a high level during 2011. AGR finished the drilling campaign on The Bredford Dolphin rig after 4.5 years of operation in Q4. The Borgland Dolphin campaign started operations in June 2011 and the rig and drilling performance has been excellent throughout 2011. This rig campaign is the second rig campaign for AGR in Norway running well management on a rig for several operators. In the UK business has seen a recovery in activity in 2011 when compared to 2010. The UK region continued to operate the multi-well campaign in the Falkland Islands using the Ocean Guardian semi-submersible rig. The campaign originally started with a four well program in 2010 and continued throughout 2011, ending in December after having drilled 16 exploration and appraisal wells for three clients. The business expanded further geographically, into West Africa by setting up a two well, deep water operation in Republic of Guinea using the Jasper Explorer drill ship. Operations commenced in September and continued to year end. In the UK a four well multi-client program was secured using the WilPhoenix semi-submersible which commenced operations in June 2011 and continued to year end. The Asia Pacific region has been slow and activity has not yet recovered to previous levels. The major activity for the region has been the support of exploration drilling activity for one client operating in Tanzania and Senegal. The AGR US office has grown its activity level, maintaining a strong, global footprint for its core services including well management, engineering and well site/client-office based consultancy. During the year the Well Management business spudded a total of 27 wells, 14 wells in UK, 6 in the US and 7 in Norway.

AGR Performance has continued to focus on sales and development of the probabilistic well planning tool P1 which has resulted in several contract renewals and new purchases from several clients.

The Reservoir Management business in Norway and UK had a slow start in the first half of 2011, but activity has picked up well during 2011 with high demand from the industry going into 2012. The 150 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 business has had a solid growth during the year and 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. Demand for drilling and HSE consultants has grown and the number of consultants has grown steadily in Norway and the UK throughout 2011.

During 2011 AGR established AGR Energy. This company is Operator of several licenses in Israel, holding 5% of each license.

AGR Drilling Services

The activity within AGR Drilling Services was all time high in 2011 and EBITDA ended at NOK 140 million compared to NOK 65 million last year.

The AGR Drilling Services division develops and supplies market-leading technologies and services for the offshore oil and gas market. The division consists of 2 main areas; Enhanced Drilling Services (EDS) and Tools & Technology.

Enhanced Drilling Solutions’ cornerstone technologies include the Cutting Transportation System (CTS) and Riserless Mud Recovery system (RMR). During 2011, 50 wells were drilled with AGR´s pumping system. The technology gained further acceptance in the market and the number of frame contracts increased significantly. In addition, the EDS customer base increased from 28 to 36.

Further conceptual studies were undertaken through 2011 to utilize the RMR system in Managed Pressure Drilling applications, where conventional drilling practices are not sufficient to reach the reservoir. During drilling with a riser or conductor pipe, the EC-Drill system can be effectively used to manage the bottom hole pressure of a well in challenging zones where the EC-Drill will ease and, in some cases enable, the drilling of the well. Controlled Mud Pressure (CMP), a technology for managing ECD (Equivalent Circulating Density) effects including well control are expected to be trialed in 2012. These enabling technologies are based on patents, license and core technology, plus know-how as a result of the proven RMR technology. They also represent next-generation systems in addition to the RMR. The development of RDS (Riserless Drilling System) continued 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.

In 2011, AGR was awarded a two well contract with Repsol/Petronas for the provision of Managed Pressure Drilling (MPD) services, utilizing AGR's EC-Drill technology. In Brazil, AGR successfully delivered two RMR + EC-Drill jack up wells as part of a contract with Petrobras. In addition, AGR RMR technology, in combination with Casing While Drilling (CwD), enabled the world record setting of casing together with Woodside Australia.

Tools & Technology include Well Services and Seabed Intervention.

The Seabed Intervention product line (previously called Trenching & Excavation) undertakes seabed excavation and trenching to prepare for subsea pipelines and –structures, as well as burial / deburial of such structures. Seabed Intervention experienced a very high activity level during 2011, and delivered all-time high results. The main contributor was the seabed leveling and pre-laying trenching of the Ormen Lange field for Shell.

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 saw activity levels in 2011 that were on par with 2010. Well Services also operates the Dynamic Desander (DDS) technology, which removes solids during well testing and work-over operations. The DDS continues to be used on all initial cleanups of wells in Saudi Arabia, where a strict zero-flare policy is enforced. The building and assembly of an additional two DDSs was started toward the end of 2011 to prepare for increased market penetration on the Norwegian Continental Shelf, where the DDS will be used to remove solids during clean-up operations with Coiled Tubing.

Group / Other

As a consequence of a strategic evaluation, AGR Marine Engineering AS (ME) was sold from AGR Field Operations to AGR Group in September 2011. All financials for this company are accounted for in AGR Group, and AGR Group now consists of corporate administration, Cannseal and ME. In Q4 2011 an accrual for separation cost of NOK 10 mill was made which relates to the sale of Field Operations.
Adjusted for the separation cost accrual, the result in ME and the net reversal of the guarantee costs related to AGR Share Investment Program in 2010, the result is on the same level as 2011.

CannSeal is a unique tool for sealing off water and gas inflow into oil wells. Using a specialized resin it creates a barrier in the annulus after the well has been completed. The tool was qualified for zonal isolation in 2010. During 2011, further development of both the resin and tool took place to accommodate clients' expressed needs. A commercial agreement was found with one client to develop a 3.3" version of the tool, thereby extending the pre-operational phase until 2012.

Other financial information

Profit after tax for continued operations in 2011 was positive NOK 20 million compared to negative NOK 11 million for the same period in 2010. The improvement is mainly due to better operational performance in 2011 compared to 2010. For more information about the results, see the divisional reports section.

The Group had total assets of NOK 2 780 million at the end of 2011, an increase from NOK 2 676 million at year end 2010. Equity increased significantly from NOK 679 million in 2010 to NOK 1 414 million in 2011, while other balance sheet items except cash was reduced significantly mainly due to the divestment of Field Operations in December 2011. At the end of the fourth quarter 2011, the equity ratio was 51 per cent.

Accumulated cash flow from the Group's operational activities was NOK 74 million. Net investments for the Group were positive NOK 876 million due to the sales of AGR Field Operations. Debt was reduced by NOK 76 million, and the Group had a total net cash flow of positive NOK 792 million in 2011 compared to positive NOK 14 million in 2010.

Net interest-bearing debt for the Group was negative NOK 93 million following the sale of Field Operations, compared to positive NOK 1 108 million at the end of 2010. At the end of 2011 NOK 680 million of interest bearing debt was fixed through interest swaps and options, constituting 92 % of gross interest bearing debt.

Earnings per share in 2011 for continued operations were positive NOK 0.16 compared to negative NOK 0.08 in 2010.

Oslo, 28 February 2012

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 2010, which has been prepared in accordance with IFRS. This condensed consolidated interim information has not been audited.

If a significant part of the Group’s operations is divested or a decision has been made to divest it, this business is presented as “Discontinued operations” on a separate line of the income statement, balance sheet and cash flow statement. The earnings on internal sales to other companies in the Group are retained in the Group. The comparative figures for the discontinued operations in the income statement are restated and presented on a single line. Comparative figures in the balance sheet and cash flow statement are not correspondingly restated.

Condensed consolidated income statement

Income Statement	Actual	Actual	Actual	Actual
NOK 1.000	**01.10 - 31.12 2011**	**01.10 - 31.12 2010**	**01.01 - 31.12 2011**	**01.01 - 31.12 2010**
Operating revenue	407,682	378,967	1,853,524	1,445,256
Operating expenses before depreciation	(371,867)	(347,550)	(1,606,342)	(1,247,875)
Operating profit before depreciation (EBITDA)	**35,814**	**31,418**	**247,182**	**197,381**
Depreciation and amortisation	(33,972)	(27,750)	(106,728)	(112,084)
Write downs and provisions	-	(121)	-	(1,533)
Operating profit (EBIT)	**1,842**	**3,547**	**140,454**	**83,764**
Net financial items	(16,021)	(17,371)	(84,815)	(91,398)
Profit before taxes	**(14,179)**	**(13,824)**	**55,639**	**(7,634)**
Taxes	(13,479)	(894)	(35,821)	(2,914)
Profit after taxes	**(27,658)**	**(14,718)**	**19,818**	**(10,548)**
Profit after tax from discontinued operations	716,379	(2,152)	737,015	13,378
Result from discountinued operations	**716,379**	**(2,152)**	**737,015**	**13,378**
Profit/(loss) for the year	**688,721**	**(16,871)**	**756,833**	**2,829**

Key figures	Actual	Actual	Actual	Actual
	01.10 - 31.12 2011	**01.10 - 31.12 2010**	**01.01 - 31.12 2011**	**01.01 - 31.12 2010**
Earnings per share continued operations	(0.22)	(0.12)	0.16	(0.08)
Earnings per share	5.47	(0.13)	6.01	0.02

Condensed consolidated balance sheet

Balance Sheet		Actual	Actual
NOK 1.000		**31.12.2011**	**31.12.2010**
Fixed assets			
Deferred tax asset		179,143	173,291
Patents, research and development		166,757	183,214
Goodwill		581,627	921,887
Land and buildings		-	33
Machinery and other equipment		345,169	467,621
Financial fixed assets		40,886	31,097
Total fixed assets		**1,313,583**	**1,777,143**
Current assets			
Inventory		20,535	13,266
Accounts receivable		506,867	727,270
Other receivables		118,004	112,349
Shares held for trading purposes		95	93
Assets classified as held for sale		-	6
Cash and cash equivalents		820,984	45,519
Total current assets		**1,466,485**	**898,503**
Total assets		**2,780,068**	**2,675,646**
Equity			
Paid in capital*		248,165	1,075,709
Other equity		1,140,937	(420,371)
Non-controlling interests		24,558	23,820
Total equity		**1,413,660**	**679,158**
Long-term liabilities			
Provisions		9,304	18,429
Deffered tax liability		5,462	13,038
Other longterm liability			-
Liabilities to financial institutions	Note 1	651,067	877,949
Total long-term liabilities		**665,833**	**909,416**
Short-term liabilities			
Liabilities classified as held for sale			-
Short-term liabilities	Note 1	700,576	1,087,072
Total short-term liabilities		**700,576**	**1,087,072**
Total liabilities		**1,366,409**	**1,996,488**
Total equity and liabilities		**2,780,068**	**2,675,646**

* In an extraordinary general meeting in AGR Group ASA 18 November 2011 it was resolved to reduce the company's share premium fund with NOK 828 million and to transfer the reduction to other equity. The share premium fund reduction has not yet entered into force, but is reflected in the balance sheet of 31 December 2011.

Condensed consolidated statement of comprehensive income

Statement of comprehensive income	Actual	Actual
NOK 1.000	Twelve months ended 31 Desember	
	2011	2010
Profit for the period	**756,833**	**2,828**
Currency translation differences	6,195	34,175
Currency translation differences discontinued operations	(40,253)	
Total comprehensive income for the period	**722,775**	**37,003**
Profit attributable to:		
- owners of the company	756,095	3,039
- non-controlling interest	738	(211)
Total comprehensive income for the period	**756,833**	**2,828**

Condensed consolidated statement of cash flow

Cash-flow Statement		
NOK 1.000	**01.01 - 31.12 2011**	**01.01 - 31.12 2010**
Profit(loss) before taxes continued operations	**55,639**	**16,444**
Profit(loss) before taxes discontinued operations	**737,015**	**-**
Depreciation and amortization of tangible assets	106,728	172,045
Share of loss/profit from associates	-	116
Loss/(gain) on disposal of discontinued operations	(701,197)	-
Finance costs	84,815	115,654
Pension	(605)	1,247
Other operating income	(5,026)	7,924
Change in inventory	(10,557)	(2,592)
Change in trade and other receivables	(40,361)	(83,481)
Change in trade and other payables	(73,221)	205,631
Change in other provisions	(68,444)	(9,942)
Income tax paid	(10,513)	(48,712)
Interest received	-	-
Net cash-flow from operating activities	**74,273**	**374,334**
Cash inflows from sale of property, plant and equipment and other assets	-	1,713
Capital expenditure for property, plants and equipment and intangible assets	(85,804)	(112,213)
Purchase(proceeds from sale) of financial instruments	(318)	(7,009)
Acquisition of subsidary, net cash acquired	(25,297)	-
Net inflow from sale of subsidiary, net of cash disposed	986,136	-
Receipt of government grant	1,394	-
Cash outflows from financial fixed assets	-	-
Net cash-flow from investment activities - continued operations	**876,111**	**(117,509)**
Repayment of borrowings	(76,383)	(146,821)
Interest & fees paid	(81,910)	(96,130)
Issuance of shares	-	
Net cash-flow from financing activities	**(158,293)**	**(242,951)**
Net changes in cash and cash equivalents	**792,091**	**13,874**
Cash and cash equivalents at period start	**29,630**	**31,645**
Net foreign exchange differences	(737)	
Cash and cash equivalents at period end	**820,984**	**45,519**

Condensed consolidated statement of changes in equity

Equity reconciliation		
NOK 1.000	01.01 - 31.12 2011	01.01 - 31.12 2010
Equity at period start	**679,158**	**619,300**
Profit after taxes	756,833	4,251
Exchange differences	6,195	34,175
Change/capital contribution from non-controlling interests	11,727	43,411
Exchange differences discontinued operations	(40,253)	
Treasury shares	-	(21,979)
Equity at period end	**1,413,660**	**679,158**

Note 1 – Interest bearing debt

Net interest-bearing debt	Actual	Actual
NOK 1.000	**31.12.2011**	**31.12.2010**
Long term debt to credit institutions	651,067	877,847
Short term debt to credit institutions	77,398	275,175
Total interest-bearing debt	**728,465**	**1,153,022**
Cash and cash equivalents	820,984	45,519
Net interest-bearing debt	**-92,519**	**1,107,503**

In accordance with 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 and AGR Drilling Services. Group* consists of corporate administration, Cannseal and Marine Engineering.

Primary segment reporting per. 31.12.2011 (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1,155,036	710,330	9,852	(21,694)	1,853,524
Operating revenue, internal	13,132	206	11,578	(24,916)	(0)
Operating expenses before depreciation	(1,017,662)	(570,449)	(64,842)	46,610	(1,606,342)
EBITDA	**150,506**	**140,087**	**(43,411)**	**-**	**247,182**
Depreciation and amortization	(24,629)	(78,585)	(3,514)	-	(106,728)
Write downs and provisions	-	-	-	-	-
EBIT	**125,877**	**61,502**	**(46,925)**	**-**	**140,454**
Net financial items	(47,690)	(29,345)	163,892	(171,672)	(84,815)
Profit before taxes	**78,187**	**32,157**	**116,967**	**(171,672)**	**55,638**
Taxes	(33,866)	(16,421)	12,161	2,305	(35,821)
Profit after taxes	**44,320**	**15,736**	**129,128**	**(169,367)**	**19,818**
Profit after tax from discontinued operat	-	-	737,015	-	737,015
Profit/(loss) for the year	**44,320**	**15,736**	**866,144**	**(169,367)**	**756,833**

Primary segment reporting per. 31.12.2010 (NOK 1.000)					
Business segments	**Petroleum Services**	**Drilling Services**	**Group**	**Elimin.**	**Total**
Operating revenue, external	1,093,004	341,242	9,767	1,243	1,445,256
Operating revenue, internal	11,220	13,024	12,146	(36,390)	0
Operating expenses before depreciation	(955,043)	(288,916)	(39,063)	35,147	(1,247,875)
EBITDA	**149,181**	**65,349**	**(17,149)**	**-**	**197,382**
Depreciation and amortization	(40,839)	(69,140)	(2,104)	-	(112,084)
Write downs and provisions	(1,533)	-	-	-	(1,533)
EBIT	**106,809**	**(3,791)**	**(19,253)**	**-**	**83,764**
Net financial items	(66,555)	(39,412)	(108,969)	123,538	(91,398)
Profit before taxes	**40,255**	**(43,204)**	**(128,222)**	**123,538**	**(7,634)**
Taxes	(8,141)	4,462	765	-	(2,914)
Profit after taxes	**32,114**	**(38,742)**	**(127,457)**	**123,538**	**(10,548)**
Profit after tax from discontinued operat	-	-	13,378	-	13,378
Profit/(loss) for the year	**32,114**	**(38,742)**	**(114,080)**	**123,538**	**2,828**

Note 3 – Geographical Distribution of Operating Income

Secondary segment reporting (NOK 1.000)		
Geographical distribution of operating income	**01.01 - 31.12 2011**	**01.01 - 31.12 2010**
Norway	770,893	548,026
Europe ex. Norway	375,035	284,413
Australia	95,725	106,210
America	302,793	176,699
Asia	187,766	192,396
Africa	121,312	137,513
Total	**1,853,524**	**1,445,256**

Note 4 - Financial Key Figures

Key figures	Actual	Actual	Actual	Actual
	01.10 - 31.12 2011	**01.10 - 31.12 2010**	**01.01 - 31.12 2011**	**01.01 - 31.12 2010**
Average number of shares	125,898,308	125,898,308	125,898,308	125,898,308
Earnings per share continued operations	(0.22)	(0.12)	0.16	(0.08)
Earnings per share	5.47	(0.13)	6.01	0.02
EBITDA-margin	8.8 %	8.3 %	13.3 %	13.7 %
EBIT-margin	0.5 %	0.9 %	7.6 %	5.8 %
Equity ratio	50.8 %	25.4 %	50.8 %	25.4 %
Net interest bearing debt	-92,519	1,107,503	-92,519	1,107,503

Note 5 – Related party transactions

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

Note 6 – Discontinued operations

On 20th December 2011 AGR announced that it had closed a transaction whereby its Field Operations division was sold to Oceaneering AS. The purchase price was NOK 1,365 million on an enterprise value basis. The net sales gain for AGR amounted to NOK 701 million.

In this report AGR Field Operations is presented as “Discontinued Operations” on a separate line of the income statement, balance sheet and cash flow statement. The profit items consist of the following elements:

Discontinued operations

NOK 1.000	01.01 - 31.12 2011	01.01 - 31.12 2010
Operating revenue, external	1,058,729	1,040,219
Operating revenue, internal	22,879	20,723
Operating expenses before depreciation	(977,595)	(954,180)
EBITDA	**104,014**	**106,762**
Depreciation and amortization	(52,952)	(58,428)
Write downs and provisions	-	-
EBIT	**51,061**	**48,334**
Net financial items	(3,424)	(24,256)
Profit before taxes	**47,637**	**24,078**
Skattekostnad / Taxes	(11,819)	(9,141)
Profit after taxes	**35,819**	**14,937**
Profit after tax from discontinued operatio	-	(1,559)
Profit/(loss) for the year	**35,819**	**13,378**

Note 7 – Subsequent events

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