



BADGER EXPLORER; FULL SCALE INTEGRATED SYSTEM FUNCTION TEST UPDATE

Badger Explorer ASA is now in the process of completing the full scale integrated system function test of its revolutionary exploration method Badger Explorer and expect it to be finished by end July. All the sub-system tests have previously been successfully conducted according to plan. However, some constraints in the sub vendor market have impacted on the progress of the ongoing tests, which has lead to an overall delay of 6 weeks in this phase.

After a successful full scale integrated systems function test at Rosenberg Yard, the technology will be relocated to another onshore area with more variations of representative geological structures for further testing.

– We are pleased with the results from the system integration tests to date even though we have experienced some delays from our sub vendors lately. The tests to date confirm the system design, says Badger Explorer ASA CEO Kjell Erik Drevdal.

The ongoing full scale integrated system function test was commenced by Badger Explorer ASA at Rosenberg Yard in April 2007, which has defined 11 success criteria of which six were successfully accomplished by medio June. The remaining part of the test has continuously been worked on since then and complete test results are expected by the end of July.

Badger Explorer ASA is also pleased to announce that the Company has entered into a comprehensive collaborative agreement with the research institute SINTEF, which will secure availability of technical expertise and development capacity within certain key areas. In addition, Badger Explorer ASA continue to strengthen the organisation and has recruited a drilling expert, Dr. Wolfgang Mathis from Austria, who holds a PhD degree in drilling engineering and has been involved in several international assignments.

The target is for the first commercial Badger Explorer to be launched during 2H 2008. The oil and gas market is developing in favour of Badger Explorer and the demand for such a viable concept is continuously being strengthened.

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About Badger Explorer ASA

Badger Explorer ASA is developing a revolutionary method for exploration and verification of oil and gas prospects, called Badger Explorer. Badger Explorer drills down and buries itself in the underground, equipped with numerous sensors, which measure and register vital formation and physical data. The method provides a substantially lower risk, cost and complex operation compared to utilising an expensive conventional drilling rig. The crushed formation cuttings are transported through the tool, deposited and compressed in the void behind the unit. Potential excess volume is injected into fractures generated by Badger Explorer. The unit is connected to a combined power and signal cable which again is connected to the surface. The unit is powered by

electricity and transmits data signals to the surface through the cable. Badger Explorer ASA has the ambition of launching a commercial service in the market late 2008.

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