

## **Altor acquires AGR AS, a leading offshore and subsea services company**

**The Altor 2003 Fund has signed an agreement to acquire a majority ownership of AGR AS, a Norwegian technology-based oil services company. The current owners and management will remain as significant shareholders in the company going forward. In the new constellation, AGR will have the resources to develop even faster, through a combination of organic growth, capitalizing on AGR's unique technologies, and add-on acquisitions.**

AGR currently has three business areas; (1) Subsea and Well services, (2) Pipeline inspection, and (3) Integrity management. 2004 revenues are expected to be MNOK 280 of which approximately 40% come from international markets.

AGR is an oil services company that builds on unique technology to provide equipment and related services to the industry. It has a very strong position within NCS and a leading position globally within selected segments such as tethered pipeline inspection and dual-gradient drilling systems.

Its new Riserless Mud Return (RMR) system is the world's first dual-gradient, zero-discharge system in use. Following the successful use of the system with BP in Baku, AGR has received strong interest from potential customers, and a second unit is about to be tested in the North Sea by Hydro and Statoil. The system enables operators to drill in otherwise inaccessible locations, and it is currently the only riserless alternative to pump-and-dump drilling, allowing operators to comply with the environmental zero-discharge requirement in for instance the North Sea and Barents Sea.

"Altor brings in new capital and expertise for the next step in our development. We have proven our ability to develop and commercialize innovative technology and we have built a strong position among the major operators. What we need now is to further broaden our international presence and revenue base", says Geir Nordahl-Pedersen, CEO of AGR AS.

"We view this to be a unique investment opportunity in the oil services sector. In general, we believe the Norwegian based oil services sector is too fragmented and has not yet leveraged its full potential for international expansion. We plan to use AGR as a platform for selected add-on acquisitions, to create a leading Norwegian-based oil services equipment company, and to help strengthen its position internationally", says Hugo Maurstad, Partner of Altor.

"As a first tier supplier to the operators and with unique, break-through technology, AGR is in a prime position to grow internationally", says Reynir Indahl, Director of Altor.

"The acquisition of AGR, following our earlier investments in Lindorff and Adviso, demonstrates Altor's strong commitment to the Norwegian market. We see significant potential for further growth in the market and are currently expanding our Norwegian team to match the increased activity", says Harald Mix, Altor's Senior Partner.

Enskilda Securities has been advisor for AGR regarding Altor's investment in AGR.

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### **About Altor**

The Altor 2003 Fund, advised by Altor Equity Partners AB, is a Nordic private equity fund with EUR 650 million in committed capital. Altor focuses on control investments in the middle market segment of the Nordic region, concentrating on investment opportunities where it can contribute to long-term value creation through operational improvements and growth initiatives. Since its establishment, Altor has completed four acquisitions, namely Dynapac, Lindorff Group (Lindorff, Contant, Adviso and Nordea Obeståndscentrum) and Aco.

Altor was named Fund of the year at the 2003 European Private Equity Summit and Awards, organized by the European Private Equity and Venture Capital Association (EVCA), Real Deals Magazine and INSEAD.

### **About AGR**

AGR is one of the leading providers of Well Services, Pipeline Inspection, Process and Underwater Excavation Services, and Inspection Integrity Services. Since AGR's inception in 1987 the business has grown significantly by developing their product and service offering through a series of strategic acquisitions and internal development. AGR is widely recognised as being a provider of superior services and tailored engineering solutions to meet specific client requirements.

AGR has facilities in Bergen, Norway, which includes a mechanical and electrical workshop, heated storage facilities, laboratories and testing facilities with a sub-sea test pool and a certified x-ray bunker. AGR has 180 full-time employees, and has long-term relationships with many blue chip customers including; BP, Coflexip, Norsk Hydro, Halliburton, TotalFinaElf and Statoil.