



HitecVision is a leading investor in the international oil and gas industry, and the largest private equity investor in Europe to specialize exclusively in this industry. From its offices in Stavanger, Oslo and Houston, HitecVision invests in mid-size companies across the whole oil and gas sector in Europe and North America, including oilfield services and technology companies and exploration and production (“E&P”) companies. The staff of 33 is largely drawn from the oil industry itself, combining the company’s over 25 years of investment history in this industry with the staff’s operational know-how and experience to create value in the portfolio companies.

Over the last 25 years, HitecVision has invested in, established or acquired over 100 companies (including add-ons) and exited over 75. Several companies have been gone public following HitecVision ownership. HitecVision currently advises three private equity funds with a total committed capital base of USD 1.4 billion, drawn from a professional investor base that comprises leading European and American financial institutions, pension funds, fund-of-funds, endowments and family offices.

## FIRST SIX MONTHS 2011

### HIGHLIGHTS

The first half of 2011 has been a positive period for HitecVision. As the global economy has come out of recession, and activity in the oil and gas industry in particular has rebounded, our portfolio companies have delivered steadily improving results. We have also been able to close a number of transactions, both investments and realisations.

Revenues for the first six months of 2011 were NOK 51.6 million, against NOK 54.5 million for the corresponding period in 2010. Investment income accounted for NOK 0.2 million of the revenues, against NOK 0 in the corresponding period in 2010. Net income after tax was NOK 10.5 million, against NOK 9.5 million for the first six months of 2010. Total committed capital in funds remains at USD 1.4 billion (NOK 8 billion).

Amongst our key achievements in the first six months are two significant realisations: the sale of Fund IV companies Bennex and Poseidon to Siemens AG and the sale of Spring Energy’s interest in the Maria discovery to Wintershall; and the addition of three new portfolio companies: Core Energy, BassDrill and Ocean Installer. Based on the 2010 results, HitecVision paid a NOK 30 million dividend to its shareholders.

### FINANCIAL RESULTS

HitecVision achieved operating revenues of NOK 51.6 million in the first half of 2011 (down 5% on the corresponding period last year) and net income after taxes of NOK 10.5 million (up 10%).

### SOLIDITY

Due to the long term nature of fund advisory agreements, a significant part of the company’s revenues is fairly transparent for several years to come. HitecVision also has a strong balance sheet with an equity ratio of 83%.

### SHAREHOLDER MATTERS

As at 16th August 2011, HitecVision had 176 registered shareholders, compared to 175 one year ago. The HitecVision share is listed on the A list of Norwegian Over The Counter (NOTC) market, organised by the Norwegian Securities Dealers Association. HitecVision publishes annual and half year reports.

**FUND IV**

KEY DATA:

Final closing:	31.05.2006
Total committed capital:	300 MUSD
HitecVision committed capital:	9.75 MUSD
Fund maturity:	2006–2016

Fund IV is fully invested, i.e. it is closed for new direct investments, and the remaining capital will be used for add-on and follow-on investments in the existing portfolio companies. Our main activities regarding this portfolio are centered on day-to-day work growing the companies, improving their performance, and preparing them for exits.

Notable highlights in the first half of 2011 include:

- The sale of STG subsidiaries Bennex and Poseidon to the oil and gas division of Siemens AG. Siemens Oil and Gas. Bennex has about 160 employees in Norway, UK and the USA, and develops and manufactures subsea equipment mainly for power solutions. Poseidon provides subsea marinization, engineering and consulting, and has a workforce of 140 employees and consultants in Norway and UK. The combined revenue of the two companies is approximately NOK 600 million.

- The merger of Ross Offshore and Odfjell Well Management, creating a leading supplier of subsurface, drilling and well services under the Ross Offshore name. The combined business will have revenues of approximately NOK 530 million, and close to 200 employees and consultants.

- Oslo Stock Exchange approved the listing of Apply. Due to conditions in the financial markets, the listing has however been postponed.

**FUND V**

KEY DATA:

Final closing:	10.03.2008
Committed capital:	816 MUSD
HitecVision committed capital:	8.00 MUSD
Fund maturity:	2007–2017

Fund V is in its investment period, and has so far made eight platform investments. The Fund is targeting up to ten portfolio companies, primarily in Europe and North America, with revenues between USD 50 million to 300 million. Equity investments per portfolio company is expected to range from USD 30 million to 150 million. In addition the Fund expects to make a number of add-on investments to the portfolio companies. The Fund has made one new platform investment so far in 2011, plus a number of add-on investments.

Highlights in the first half of 2011 include:

- Spring Energy's sale of its interest in the Maria discovery to Wintershall, and the award of several new licenses on the Norwegian Continental Shelf.

- Investment in Core Energy, a new oil company focusing on creating additional value from producing oil and gas fields in a mature phase.

- Core Energy's approval as license holder on the NCS and its acquisition of interests in the Snorre and Brage fields and the Hyme development.

- The acquisition of all outstanding shares in Grenland Group and subsequent delisting of the company from the Oslo Stock Exchange.

- Further development of Axon Energy Products, through several add-on acquisitions in Houston, Aberdeen, Dubai and Edmonton.

- Demerger of the former Bjørge Group into two new groups, Stream and Align, and significant add-on acquisitions in both.

- Tampnet's acquisition of North Sea Communications, extending its offering to the southern part of the North Sea.

- Refocusing of Reef Subsea, with divestment of Bluestone Offshore and increased capacity in the North Sea through the addition of a new vessel.

**HITECVISION ASSET SOLUTIONS**

KEY DATA:

Final closing:	02.06.2010
Total committed capital:	420 MUSD
HitecVision committed capital:	15.8 MUSD
Fund maturity:	2010–2018

HVAS was established in 2010, and the Fund is in its investment period. The Fund will invest in companies in the asset-based side of the international offshore oil and gas service industry, typically owners and operators of such assets as drilling rigs, supply vessels, subsea construction vessels, etc. HitecVision Asset Solutions is not part of the main HitecVision Fund series, but has been specifically created to take advantage of current market opportunities in this industry. The Fund is targeting four to five portfolio companies. Equity investments per portfolio company is expected to be around USD 100 million.

The Fund has made three investments to date.

Highlights in the first half of 2011 include:

- Acquisition of Troms Offshore, a vessel management company, and rebranding of the Fund's Platform Supply Vessel owner to Troms Offshore, creating an integrated shipping company.

- Troms Offshore has taken delivery of one new PSV from the yard, and has placed an order for a fourth vessel.

- Investment in Ocean Installer, a newly established subsea services company.

- Investment in Bassdrill, a company that operates tender assist drilling rigs. Bassdrill has one tender barge in operation in West Africa, and has won a contract for a newbuild semi-submersible tender rig to be operated in Brazil from 2013.

Stavanger, 25th August 2011  
The Board of HitecVision AS

# INCOME STATEMENT

all figures in NOK 1 000	30.06.2011	31.12.2010	30.06.2010
Operating revenues	48 450	99 784	49 964
Investment income	165	13 965	-
Income from associated companies	3 010	-	4 551
<b>Total revenues</b>	<b>51 625</b>	<b>113 748</b>	<b>54 515</b>
Operating expenses	36 473	92 809	42 283
Depreciation & amortisation	1 072	2 838	712
<b>Net operating income</b>	<b>14 080</b>	<b>18 102</b>	<b>11 520</b>
Net financial income/(loss)	(739)	(526)	(29)
<b>Net income before taxes</b>	<b>13 341</b>	<b>17 576</b>	<b>11 492</b>
Income tax	(2 856)	(1 712)	(1 027)
<b>Net income before minority interests</b>	<b>10 485</b>	<b>15 864</b>	<b>10 465</b>
Minority interests	-	-	(971)
<b>Net income after minority interests</b>	<b>10 485</b>	<b>15 864</b>	<b>9 494</b>

# BALANCE SHEET

all figures in NOK 1 000	30.06.2011	31.12.2010	30.06.2010
Intangible fixed assets	91	91	2 584
Tangible fixed assets	2 311	2 546	2 700
Financial fixed assets	125 882	117 445	95 697
Receivables	14 849	12 789	23 058
Cash and deposits	6 877	25 812	70 790
<b>Total assets</b>	<b>150 010</b>	<b>158 683</b>	<b>194 829</b>
<b>Total Equity net of minority interests</b>	<b>124 980</b>	<b>113 325</b>	<b>106 353</b>
Minority interests	-	-	37 330
<b>Total Equity</b>	<b>124 980</b>	<b>113 325</b>	<b>143 683</b>
Current liabilities to financial institutions	11 306	-	29 661
Tax payable	1 495	463	2 528
Dividends payable	-	30 000	-
Other current liabilities	12 229	14 895	18 957
<b>Total equity and liabilities</b>	<b>150 010</b>	<b>158 683</b>	<b>194 829</b>

## FUND IV

## ■ CURRENT:

## AT GROUP

AT Group has been created as a holding company structure for the Fund's portfolio companies Technor, Valco, SPG and Aarbakke:

## Technor

The Technor Group manufactures and distributes electrical components and products for use in hazardous areas. Technor has operations in France, Italy, Singapore and the UAE.

[www.technor.com](http://www.technor.com)

## Valco Group

Valco develops, produces and markets valves and valve related products out of manufacturing platforms in Norway and France for the marine, upstream and downstream oil and gas and industrial sectors

[www.valco.no](http://www.valco.no)

## SPG

SPG AS (formerly Vector Group AS) is a leading provider of specialist flanges and other pipe connectors to the oil, gas and petrochemical industries. SPG operates out of main offices in Norway and Wales, with sales offices in Scotland, Dubai, Malaysia, Australia, Brazil and the USA. The company also owns Icarus, a large pipe and valve trading company based in Belgium.

[www.vectorint.com](http://www.vectorint.com)

## Aarbakke Group

Aarbakke is an independent provider of subcontracting and fabrication services to the international oil and gas industry, specializing in precision machining services primarily to subsea and downhole field applications. specializing in precision machining services primarily to subsea and downhole field applications.

[www.aarbakke.com](http://www.aarbakke.com)

## APPLY GROUP

Apply Group consists of a number of entities operating in various niches within the oil and gas industry, with some activity in the building industry. The major companies are Apply Sørco, Apply Leirvik, Apply Oil & Gas, Apply TB, and Apply Nemo.

[www.apply.no](http://www.apply.no)

## SUBSEA TECHNOLOGY GROUP

Following the sale of Bennex and Poseidon, STG is now a holding structure for Ross Offshore and Seabox. Ross Offshore provides various consultancy and project management services. Seabox has developed a new technology for subsea treatment of water to be used for reservoir injection.

[www.rossoffshore.no](http://www.rossoffshore.no)

[www.sea-box.no](http://www.sea-box.no)

## ■ EXITED:

## NOBLE DENTON

Noble Denton was an independent, market leading consultancy firm offering services to the global offshore, shipping and insurance industries. The Group had its head office in the UK, and additional offices in 15 different locations throughout the world. The fund exited its investment in 2009 through a trade sale to Germanischer Lloyd.

[www.nobledenton.com](http://www.nobledenton.com)

## FUND V

## ■ CURRENT:

## SPRING ENERGY NORWAY

Spring Energy Norway AS is an oil and gas company established by a group of E&P professionals with extensive experience and an excellent track record from the Norwegian Continental Shelf. The company has built up a significant portfolio of exploration assets, discoveries and oil production.

[www.springenergy.no](http://www.springenergy.no)

## AXON ENERGY PRODUCTS

Axon Energy Products manufactures drilling, well technologies and pressure control products. Axon is headquartered in Houston, and has a number of operating companies in the USA, Canada, UK, Norway and the UAE.

[www.axonep.com](http://www.axonep.com)

## GRENLAND GROUP

Grenland Group is a Norwegian full-service engineering, procurement and construction company. The Group operates out of a number of locations in Norway, in addition to Shanghai in China. The Group is organised into three business areas: Grenland Group Solutions, Grenland Group Maintenance & Modification, and Grenland Group Fabrication.

[www.grenlandgroup.com](http://www.grenlandgroup.com)

## STREAM

(including sister company Naxys) Stream provides products, solutions and services related to piping, valves and instrumentation within the energy and offshore business. The company is a leading supplier to the Norwegian oil and gas industry and represents several of the world's leading suppliers in the Norwegian market. Stream is a result of the demerger of the Fund's previous portfolio company Bjørge.

[www.stream.no](http://www.stream.no)

## ALIGN

Align is a leading provider of process and safety-critical products and solutions, as well as a complete range of services that maintain lifecycle-long performance. The company represents some of the world's leading suppliers, and also invests significant resources in its proprietary technologies and system integration. Stream is a result of the demerger of the Fund's previous portfolio company Bjørge.

[www.align.no](http://www.align.no)

## REEF SUBSEA

Reef Subsea is a joint venture with GC Rieber Shipping, where HitecVision is providing capital in order to build a larger group within niches of the subsea industry. Headquartered in London, the group's main operating companies are Technocean and Scanmudring in Norway and Specialist Subsea Services Ltd in Aberdeen.

[www.reefsubsea.com](http://www.reefsubsea.com)

## TAMPNET

Tampnet operates the largest offshore high capacity communication network in the world, serving 34 oil and gas fields and carrying traffic for over 60 platforms in Norway and the UK, operated by a multitude of oil companies.

[www.tampnet.com](http://www.tampnet.com)

## CORE ENERGY

Core Energy is an oil & gas company established with the aim of capturing the value potential in and around producing oil and gas fields on the Norwegian Continental Shelf. The company will seek to acquire interests in producing fields and create value through focusing on increased oil and gas recovery, near field exploration and adjacent field developments.

[www.coreenergy.no](http://www.coreenergy.no)

## HVAS

## ■ CURRENT:

## TROMS OFFSHORE

Troms Offshore provides offshore services to oil companies through owning and operating high-end large Platform Supply Vessels, specializing in new ships built to the "Clean Design" class specifications. The company has four vessels in operation or under construction.

[www.tromsoffshore.no](http://www.tromsoffshore.no)

## OCEAN INSTALLER

Ocean Installer AS is a recently established subsea services company which plans to develop into a major service provider within the Subsea construction, Umbilicals, Risers and Flowlines (SURF) segment, based on a combination of owned and leased vessels.

[www.oceaninstaller.com](http://www.oceaninstaller.com)

## BASSDRILL

BassDrill is a drilling contractor specializing in tender drilling rigs. BassDrill has designed and built one tender rig, a tender barge which is currently being operated off the coast of West Africa, and is building a semi-submersible tender rig, which will enter operations in Brazil in 2013.

[www.bassdrill.com](http://www.bassdrill.com)

# HITECVISION

---

**HITECVISION AS**

POSTAL ADDRESS: P.O. BOX 8120 · 4068 STAVANGER · NORWAY

VISITOR ADDRESS: JÄTTÄVÅGVEIEN 7 · 4020 STAVANGER · NORWAY

PHONE +47 51 20 20 20 · FAX +47 51 20 20 51

CONTACT@HITECVISION.COM · WWW.HITECVISION.COM