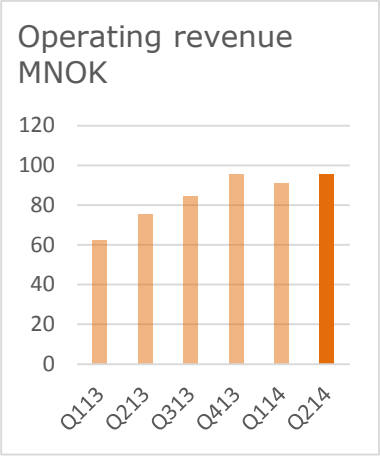
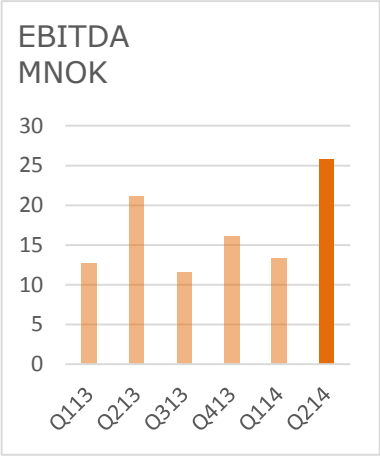
INTERIM REPORT

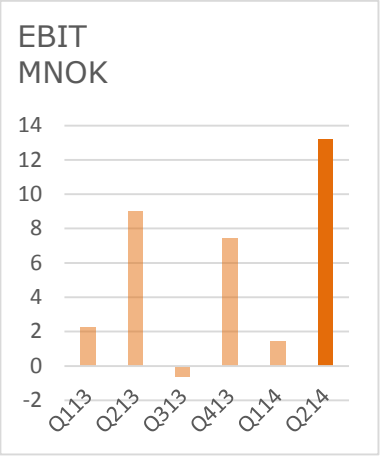
Q2 2014

cegal

Q2 2014 HIGHLIGHTS







- 27 % revenue increase from Q2 2013 to Q2 2014
- 22 % EBITDA increase from Q2 2013 to Q2 2014
- Net cash flow from operations of NOK 7.7 mill
- Bayerngas Norge Go-Live in May
- New contracts won with Petroleumstilsynet and Norsk Olje og Gass
- Issued a new senior secured bond of NOK 225 mill

Q2 IN BRIEF

Revenues in Q2 2014 were NOK 95.1 million, NOK 19.9 million ahead of Q2 2013. Revenues 1H 2014 were NOK 186.3 million, NOK 49.1 million ahead of 1H 2013. The core business, Cloud services, constituted approximately 73 % of total revenues in Q2 2014 compared with 77 % in Q2 2013. Cloud services generated a year-on-year revenue growth of 19 % driven by a combination of strong growth within the existing cloud contract base and a number of large new contracts won and implemented during 2013.

EBITDA for Q2 2014 was NOK 26.1 million which is NOK 6.1 million ahead of Q2 2013. EBITDA for 1H 2014 was NOK 39.4 million, NOK 6.7 ahead of Q2 2013.

The activity level in the Cegal's market continues to be high. The number of employees at the end of Q2 2014 was 201 compared to 149 at the end of Q2 2013. The number of employees is expected to continue to grow, but at a slower pace than during 2013.

During Q2 the Company has issued a new senior secured bond issue of NOK 225 million. The bond is priced at 3 months NIBOR plus 5.50%, and will be used to refinance existing debt, to an initial payout to shareholders and to support the continued expansion both organically and through acquisitions.

As of 30 June 2014 the Company was in compliance with all covenants.

FINANCIAL STATEMENTS

PROFIT & LOSS

(NOK 1.000)	Unaudited Q2 2014	Unaudited Q2 2013	Audited 2013
Operating revenue	**95 123**	**75 167**	**317 125**
Cost of goods sold	30 740	23 548	101 629
Salaries	29 265	23 021	123 353
Other operating costs	9 048	8 555	30 776
EBITDA	**26 070**	**20 043**	**61 367**
Ordinary depreciation	8 206	6 599	25 399
Goodwill depreciation	4 391	4 391	17 949
EBIT	**13 473**	**9 053**	**18 019**
Net financial items	4 854	1 799	5 997
EBT (profit before tax)	**8 619**	**7 254**	**12 022**
Tax	3 513	3 144	8 443
Profit for the year	**5 106**	**4 110**	**3 579**

BALANCE SHEET & CASH FLOW

(NOK 1 000)	Unaudited	Unaudited	Audited
ASSETS	**30.6.2014**	**30.6.2013**	**31.12.2013**
Intangible assets	127 034	137 287	132 814
Tangible fixed assets	63 170	56 836	57 115
Other financial fixed assets	7 192	954	979
Total non-current assets	**197 396**	**195 077**	**190 908**
Receivables	82 090	70 640	73 699
Bank deposits, cash and similar	187 769	14 635	31 681
Total current assets	**269 860**	**85 275**	**105 380**
Total assets	**467 255**	**280 352**	**296 288**
EQUITY AND LIABILITIES			
Paid-in capital	1 039	1 039	1 039
Other equity	131 788	109 971	123 567
Total equity	**132 827**	**111 010**	**124 606**
Interest-bearing long-term liabilities	257 207	60 948	62 365
Total non-current liabilities	**257 207**	**60 948**	**62 365**
Interest-bearing current liabilities	19 743	45 279	35 742
Other current liabilities	57 478	63 115	73 575
Total current liabilities	**77 221**	**108 394**	**109 317**
Total liabilities	**334 428**	**169 341**	**171 682**
Total equity and liabilities	**467 255**	**280 352**	**296 288**

(NOK 1 000)	Unaudited	Unaudited	Audited
CASH FLOW STATEMENT	**Q2 2014**	**Q2 2013**	**31.12.2013**
Profit before tax	8 619	7 254	12 021
Depreciation and write-downs	12 598	10 991	43 348
Change in net working capital	-13 499	-10 650	-13 387
Net cash flow from operations	**7 718**	**7 595**	**41 982**
Net cash flow from investment activities	-4 420	-5 837	-10 731
Net cash flow from financing activities	159 120	-21 296	-33 796
Net change in cash and cash equivalents	**162 418**	**-19 538**	**-2 545**
Cash and cash equivalents at start of period	25 351	34 173	34 226
Cash and cash equivalents at end of period	**187 769**	**14 635**	**31 681**

EVENTS AFTER THE BALANCE SHEET DATE

In August 2014, Cegal signed a merger agreement with Blueback Reservoir AS to accelerate the internationalisation of its Geocloud offering and enhance the domain knowledge of the oil and gas industry. More information on following pages.

Unaudited proforma balancesheet for Cegal group post merger:

(NOK 1 000)	Proforma
ASSETS	**30.6.2014**
Intangible assets	286 834
Tangible fixed assets	64 594
Other financial fixed assets	7 954
Total non-current assets	**359 382**
Receivables	93 906
Bank deposits, cash and similar	195 994
Total current assets	**289 900**
Total assets	**649 282**
EQUITY AND LIABILITIES	
Paid-in capital	1 247
Other equity	209 236
Total equity	**210 483**
Interest-bearing long-term liabilities	257 207
Total non-current liabilities	**257 207**
Interest-bearing current liabilities	31 190
Other current liabilities	150 402
Total current liabilities	**181 592**
Total liabilities	**438 799**
Total equity and liabilities	**649 282**

Norvestor Equity

cegal SMARTE DATAHODER

blueback reservoir GeoScience Solutions Partner

Stavanger, 19 August 2014

Cegal and Blueback Reservoir join forces to create a global partner for the oil and gas industry

Cegal and Blueback Reservoir will be merged to combine and expand their offering and will become a global partner within innovative petrotechnical solutions for the oil and gas industry. Norvestor V, L.P., a Fund advised by Norvestor Equity AS, is the largest shareholder in Cegal and will continue as the largest shareholder after the merger.

Cegal and Blueback Reservoir´s customers need efficient work processes and also expect their partners to have petrotechnical understanding. Following the merger, Cegal and Blueback Reservoir will meet these requirements with their unique skill set within oil and gas, software development, deployment and operation in addition to cloud infrastructure.

"This is a big milestone for both companies. By entering into this agreement, we are creating a unique provider for the Oil and Gas industry. Both companies have separately delivered high growth by focusing on building strong business cultures and unique product offerings in addition to having a passion for what we do. By joining our complementary skills, we will create synergies that will be beneficial for our clients" says Pål Hovdenak, CEO of Blueback Reservoir.

Both Cegal and Blueback have been hugely successful in developing and implementing innovative solutions for clients in their own right. Their combined skill set will bring even more value to the market and represent a platform to further develop and acquire complementary services beneficial to clients. The joint company increased revenues with 50% in 2013, and the forecast for 2014 is NOK 550 million, which is an increase of 25 % year on year. Following the merger, the Company will exceed 300 employees with offices in Stavanger, Bergen, Oslo, London, Houston, Calgary and Dubai.

«We have a target of NOK 1,000 million in revenues for 2016. To achieve this we need to continue the strong organic growth combined with add on acquisitions in Norway and globally» says Svein Torgersen, CEO in Cegal and for the new merged company.

"With Blueback Reservoir´s competence and presence in important oil hubs, we will be taking a large step towards our goal of becoming a global player that meets our customers' demands", says Henning Vold, Partner in Norvestor Equity and Chairman of the merged company.

«The basic idea behind our joint success is that we are developing management talents as well as talent within the technical disciplines. Our employees will continue to be seen, heard and

acknowledged, and we will give them opportunities to pursue careers they are good at" concludes Frank Garneng, deputy CEO in Cegal.

The merged company is owned by Norvestor V, L.P. (52%), employees and board members (48%). The company recently completed a Bond issue to fund further growth.

For further information:

Svein Torgersen, CEO Cegal | +47 908 67 433 | svein.torgersen@cegal.com
Pål Hovdenak, CEO Blueback Reservoir | +47 98230340 | paul.hovdenak@blueback-reservoir.com
Henning Vold, Partner Norvestor Equity | +47 908 79 581 | henning.vold@norvestor.com

Cegal is a Stavanger-based company specialized within tailor made cloud technology, including managing and delivering large data volumes and software solutions to companies in the oil and gas industry. The company is market leading in this segment, and provides good understanding of business needs, future-oriented and scalable technology. Cegal was established in 2000 and has offices in Oslo and Bergen in addition to the head office in Stavanger.

Blueback Reservoir is a fast growing technology company specializing in providing geoscience consulting services and software solutions for the global oil & gas industry. The company was founded in 2005 and has its headquarters in Stavanger, Norway, and subsidiaries Oslo, London, Houston, Calgary and Dubai.

Norvestor Equity AS is a leading private equity company focusing on lower mid market buyouts in the Nordic region. The team has worked together since 1991 making it one of the most experienced private equity teams in Norway, having executed 53 investments and participated in over 194 add-on acquisitions and divestitures. Norvestor focuses on investment opportunities in growth companies, making platform investments principally in the Norwegian and Swedish mid-market, with potential to achieve a leading Nordic or international position either through domestic organic growth, through acquisitions in fragmented industries or by expanding into new countries. Funds advised by Norvestor are currently invested in the following portfolio companies; Panorama Gruppen AS, Life Europe AB, Johnson Metall Group AS, Advantec Holding AS, Apsis Group AB, Aptilo Holding AB, Cegal Holding AS, Marine Aluminium Group AS, Crayon Group Holding AS, Sortera Skandinavien Holding AB, ABAX Holding AS, Robust AB, iSurvey Holding AS, Future Production Holding AS and Nomor Holding AB. Read more at www.norvestor.com