

Q1 2008

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**Interim
Report
+ Interim
Condensed
Financial
Information
for the
period ended
March 31,
2007**

Interim Report 1st Quarter 2008

Effective 25 July 2007, CorrOcean ASA acquired all the shares of Roxar AS. Subsequently, the name of the company has been changed to Roxar ASA. The 2007 numbers in this report include 5 months of the acquired Roxar AS. Proforma effects from the acquisition of Roxar AS are presented in note 4.

Condensed consolidated income statements

First quarter results

Consolidated revenues for the first quarter of 2008 amounted to NOK 303.3 million compared to NOK 315.0 million for the fourth quarter of 2007. The software division had a strong first quarter with revenues of NOK 86.5 million, representing an increase of NOK 26.2 million over the fourth quarter of 2007. The main reason behind this growth is record high sales in the CIS region.

The first quarter 2008 operating profit (EBITDA) was NOK 48.5 million compared to NOK -0.5 million in the fourth quarter 2007. The main reason for the increased profitability is strong performance by the software division. In addition, the company was negatively affected by one-time charges in the fourth quarter of 2007.

Personnel expenses for the first quarter of 2008 were NOK 113.6 million compared to NOK 143.6 million in the fourth quarter of 2007. 2007 numbers were affected by the above mentioned one-time charges. In addition, lower activity in the Hardware Division resulted in reduced personnel expenses.

Net financial income for the first quarter 2008 was NOK 19.5 million compared to net financial costs of NOK 31.0 million for the fourth quarter 2007. In the first quarter of 2008, the company had gains related to the weakening USD related to the bank debt of USD 184 million.

The net profit for the first quarter 2008 was NOK 24.6 million (Earnings per share NOK 0.10), compared to NOK -44.2 million for the fourth quarter 2007 (Earnings per share NOK -0.16).

At the end of the first quarter 2008, cash and cash equivalents amounted to NOK 110.1 million, a reduction of NOK 60.0 million compared to end of the fourth quarter 2007. Out of this reduction, NOK 25.2 million can be attributed to the acquisition of PolyOil Ltd. Operating cash flow in the first quarter was NOK -33.2 million as a result of increased working capital.

Interim Report 1st Quarter 2008

Operations – Hardware Division

Overall

Activity in the Hardware Division has throughout 2007 and the first quarter of 2008 been subdued by the delays in West African subsea projects. In spite of slower growth, profitability has increased due to the internal improvement programmes that were conducted during the year. These programmes have helped reduce engineering and production costs, increase production capacity and increase delivery predictability.

Topside

Activity level on Topside products has continued to improve over previous quarters. This market consists of many small contracts with reasonable margins and a few larger orders with higher competitive pressure. First quarter ordertake consist of smaller orders. Sand products and corrosion monitoring products has come in as planned, but wetgas, multiphase and watercut has been behind plan. Ordertake for topside products is expected to improve in the second quarter.

Subsea

Delays in large subsea projects was the general theme throughout 2007. Roxar was awarded one of these large orders in the first quarter, and the underlying ordertake is therefore on target for the first quarter. However, the company started 2008 at a lower than normal activity level and more orders should ideally be secured through the second quarter to generate growth in financial results for the year. The company has announced orders in the second quarter, but are still not satisfied with the current level.

The string of operational successes from West Africa has continued throughout the first quarter of 2008. As a result, we see an even higher interest in the market for Roxar products as the meters have been used to assist well start-up and showing high measurement accuracies in field. Multiphase metering clients are generally concerned about reliability and availability of data, and in this field Roxar offer a strong product range with redundant systems, various degrees for retrievability and local service with Roxar personnel around the globe.

Downhole

The downhole business had strong growth in 2007, and has had a softer performance in the first quarter of 2008. However, the current market outlook is good but dependent on award of a few sizable contracts. The High Pressure/ High Temperature systems introduced in 2007 are expected to be presented to the market on a larger scale, thus underpinning margins. Roxar has a strong standing in Scandinavia for these systems and the aim is to keep consolidating the gains made in the Middle East market and keep building on operational successes in the CIS.

The High Pressure / High Temperature systems will also be a key differentiator to open up new markets for the company's downhole products.

Services

Roxar's service business continues to grow compared to historical levels, as our offering of preventive maintenance, data validation service and customer training continues to expand through successful implementation and execution. Roxar view our service capability as a future key differentiator, tying well in with the company's vision; 'Make sure it's Roxar'. In this statement, we aim to embrace a customer total satisfaction vision leading to a preferred supplier status.

Operations – Software Division

License sales and leases

The good trading environment for Roxar's technically advanced software solutions showed itself in the first quarter of 2008 as the company posted record high licence sales. Several strategically important corporate contracts were signed in the first quarter. The company has put in place a renewed strategy where the aim is to make structural market gains as the plan is executed.

This plan involves aiming our expert software at non-expert users by focusing development work at ease-of-use and integrate seismic interpretation in the modelling software. Furthermore, the company will focus on improved sales execution, particularly for products which have been more peripheral in the portfolio like reservoir simulation (Tempest) and uncertainty estimates (EnAble).

Some of these initiatives are expected to filter through in 2008, but the main results are expected to come in 2009 and beyond.

Maintenance

Maintenance revenue remains relatively stable. This is a consequence of an increasing share of software leases. Maintenance retention rates are high.

Services

One of the key elements in the renewed strategy is to improve the company's service and support offering. Today's solution has high quality but is less cost effective than what is desired. Improved utilisation of the Roxar staff is expected to contribute positive to the company's bottom line as it takes effect, along some of the principles which were applied in the Hardware division a few years ago and which has yielded strong results.

Outlook and Strategy

The company's strategy is to continue enhancing its current product portfolio and deliver new and innovative products to the market, mainly within the areas of Production Optimisation and Reservoir Management and Flow Assurance.

Our main focus for the next years will be to continue and finish the significant developments the company has started in the downhole network and sensor field, as well as an enhanced focus on production optimisation software.

Furthermore, the reservoir software business will over the next few years continue its strategy by bringing to the market new and improved versions of the flagship RMS product with enhanced user experience. We also look to offer a broader workflow of integrated products to our modelling software, particularly within seismic interpretation, reservoir simulation and history matching.

On May 26, Roxar completed a bond issue where the proceeds of NOK 400 million is used to refinance parts of the USD 117 million term loan A. The remainder of this bridge facility will be converted to a term loan with maturity and profile as the existing term loan B. Roxar is committed to pursuing its long term strategy of maintaining the company's market position for its strong selling products, as well as continuing a constant pace of new technology launches.

Stavanger, 29 May 2008
The Board of Directors
Roxar ASA

Questions should be directed to Roxar ASA management represented by:

Gunnar Hviding, CEO
Even Gjesdal, CFO

Profit & Loss Statement

CONSOLIDATED

AMOUNTS IN NOK 1 000

1Q 2008

4Q 2007

1Q 2007

2007

	1Q 2008	4Q 2007	1Q 2007	2007
Revenue	303 321	315 015	38 955	605 592
Cost of goods sold	97 774	126 847	18 086	236 029
Personnel expenses	113 624	143 585	11 605	248 391
Other operating expenses	43 409	45 116	6 582	90 608
Operating profit before depreciation / EBITDA	48 513	-532	2 682	30 564
Depreciation and amortisation	32 456	32 773	312	56 073
Operating profit	16 057	-33 304	2 370	-25 509
Financial income	66 172	15 461	556	101 881
Financial cost	-46 679	-46 436	-1 254	-97 066
Net financial income / (costs)	19 493	-30 975	-698	4 815
Profit before income tax	35 550	-64 279	1 672	-20 694
Income tax expense	-10 953	20 053	-169	8 608
Net profit	24 598	-44 226	1 503	-12 086
Attributable to:				
Majority interest	24 560	-43 909	1 326	-12 611
Minority interest	38	-317	177	525
Earnings per share for profit attributable to the equity holders of the company (Expressed in NOK per share)				
Basic	0.10	-0.16	0.03	-0.09
Diluted	0.10	-0.16	0.03	-0.09

Segment Information

CONDENSED CONSOLIDATED

AMOUNTS IN NOK 1 000

1Q 2008

4Q 2007

1Q 2007

2007

	1Q 2008	4Q 2007	1Q 2007	2007
FLOW MEASUREMENT				
Revenues	216 863	254 794	38 955	490 549
EBITDA before allocations of administrative expenses	40 390	24 745	2 682	58 321
Allocations of administrative expenses	15 117	13 055	-	20 716
EBITDA after allocations	25 273	11 690	2 682	37 605
Profit Margin	12%	5%	7%	8%
Ordertake / Bookings	119 916	168 273	38 729	385 584
Backlog	313 961	325 696	43 637	325 696
Number of Employees	451	465	77	465
SOFTWARE SOLUTIONS				
Revenues	86 458	60 222	-	115 043
EBITDA before allocations of administrative expenses	34 804	-1 957	-	10 632
Allocations of administrative expenses	7 866	8 673	-	14 494
EBITDA after allocations	26 938	-10 630	-	-3 862
Profit Margin	0%	-18 %	-	-3%
Ordertake / Bookings	42 566	9 491	-	9 491
Backlog	48 008	47 636	-	47 636
Number of Employees	231	243	-	243
OTHER / NOT ALLOCATED				
EBITDA before allocations of administrative expenses	-26 680	-23 319	-	-38 390
Allocations of administrative expenses	-22 983	-21 728	-	-35 210
EBITDA after allocations	-3 697	-1 591	-	-3 180
Number of Employees	89	90	-	90
GROUP				
Revenues	303 321	315 015	38 955	605 592
EBITDA before allocations of administrative expenses	48 513	532	2 682	30 564
Allocations of administrative expenses	-	-	-	-
EBITDA after allocations	48 513	-532	2 682	30 564
Profit Margin	16%	0%	7%	5%
Ordertake / Bookings	162 482	177 764	38 729	395 075
Backlog	361 969	373 332	43 637	373 332
Number of Employees	771	798	77	798

Balance Sheet

CONSOLIDATED

AMOUNTS IN NOK 1 000

31.03.08

31.03.07

31.12.07

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	42 047	4 136	43 371
Goodwill	1 222 118	-	1 204 615
Intangible assets	1 015 077	3 218	994 533
Investments in subsidiaries		16 898	
Deferred income tax assets	3 176	15 669	3 176
Other long term receivables	9 670	188	8 957
Total non-current assets	2 292 088	40 109	2 254 652

CURRENT ASSETS

Inventories	169 884	12 732	134 204
Earned, not invoiced revenue on construction contracts	152 386	52 342	151 546
Trade receivables	248 367	35 526	233 699
Other receivables	50 286	3 410	64 758
Cash and cash equivalents	110 170	1 465	170 120
Total current assets	731 093	105 475	754 327

Total assets	3 023 180	145 584	3 008 979
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AMOUNTS IN NOK 1 000

31.03.08

31.03.07

31.12.07

EQUITY & RESERVES**CAPITAL ATTRIBUTABLE TO EQUITY****HOLDERS OF THE COMPANY**

Share capital	243 497	53 185	238 783
Share premium reserve	944 986	53 108	921 450
Other paid-in equity	27 938	-	27 938
Retained earnings	-7 291	-17 572	-31 653
Minority interest in equity	6 094	5 708	6 056
Total equity	1 215 224	94 429	1 162 574

LIABILITIES**NON-CURRENT LIABILITIES**

Deferred income tax liabilities	309 384	-	287 567
Convertible loan	159 310	-	155 246
Pension obligations	39 782	5 504	41 299
Provisions for other liabilities and charges	14 236	73	7 688
Total non-current liabilities	522 712	5 577	491 800

CURRENT LIABILITIES

Accounts payable	79 938	16 176	89 748
Public duties payables	8 415	-1 485	18 373
Other short term debt	169 173	16 224	161 832
Current income tax liabilities	2 175	362	4 325
Borrowings	1 025 545	14 301	1 080 327
Total current liabilities	1 285 244	45 578	1 354 605

Total liabilities	1 807 956	51 155	1 846 405
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Total equity and liabilities	3 023 180	145 584	3 008 979
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Cash Flow Statement

CONDENSED CONSOLIDATED

AMOUNTS IN NOK 1 000

1Q 2008

4Q 2007

1Q 2007

2007

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before income tax	35 550	-64 280 1	672	-20 694
Ordinary depreciation and amortisation	32 456	32 773	312	56 073
Write-down of borrowing costs	6 527	7 942	-	13 238
Change in working capital				
Change in accounts receivables	-14 668	48 465	5 623	79 304
Change in inventories	-35 680	18 836	-946	5 918
Change in work in progress	-840	5 105	-12 127	7 409
Change in accounts payables	-9 810	7 766	-943	22 615
Change in other items	-46 768	1 403	8 814	-62 662
Net cash generated from operating activities	-33 234	58 010	2 405	101 202

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant & equipment	-3 932	-4 405	85	-7 896
Investment in development	-8 405	-6 965	-2 890	-18 452
Proceeds from sale of business area	-	-	-	-
Net purchase of shares in other companies	-25 217	-6	-16 898	-2 265 036
Change in long term receivables	5 835	-	2	1 226
Net cash used in investing activities	-31 719	-11 376	-19 701	-2 290 158

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings	-	-	-	1 164 532
Equity issue	5 003	-	5 655	1 113 589
Issue costs	-	-	-	-82 844
Convertible bond (debt)	-	-	-	158 301
Convertible bond (equity)	-	-	-	41 699
Transaction costs	-	-	-	-34 707
Other long term receivables/payables	-	-	300	-
Net cash used in financing activities	5 003	-	5 955	2 360 570
Net increase in cash, cash equivalents and bank overdrafts	-59 950	46 634	-11 341	171 614
Cash, cash equivalents and bank overdrafts at beginning of period	170 120	123 486	-1 494	-1 494
Cash, cash equivalents and bank overdrafts at end of period	110 170	170 120	-12 836	170 120

Notes

1 BASIS FOR PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 Interim Financial Reporting. The accounts do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as of and for the year ended 31 December 2007. The condensed consolidated interim financial statements have not been audited.

2 BUSINESS COMBINATIONS

On 3 March 2008 Roxar ASA signed a contract to acquire 100% of the shares in PolyOil Ltd. The purchase price is based on an entity value of NOK 56.1 million (GBP 5.25 million) net of interest bearing debt and cash, whereby NOK 23.2 million have been settled by issuing shares in Roxar ASA as compensation and the remaining amount has been settled in cash.

PolyOil Ltd. is based in Aberdeen and the company is market leader within design, development and delivery of polymer based downhole products for the oil and gas industry.

Roxar has performed a preliminary purchase price allocation of the cost of the business combinations to the assets acquired and liabilities and contingent liabilities assumed in accordance with IFRS 3. The preliminary purchase price allocation has been determined with excess value of NOK 44.8 million.

The balance sheet of the acquired PolyOil business is included in the consolidated balance sheet of Roxar ASA as per 3 March 2008 as follows:

AMOUNTS IN NOK 1 000	PURCHASE PRICE	AMOUNTS IN NOK 1 000	BOOK VALUE OF ACQUIRED COMPANY	FAIR VALUE
The net assets and goodwill arising from the acquisition are as follows:		The net assets and goodwill arising from the acquisition are as follows:		
Cash amount	32 847	Intangible assets	-	39 049
Payment in Roxar ASA shares with 3.879.670 shares * 5,992	23 247	Fixed assets	2 498	2 498
Direct costs related to the acquisition	118	Inventory	1 395	1 395
Total costs	56 212	Accounts receivable	4 651	4 651
Fair value of net assets	38 710	Cash	7 844	7 844
Goodwill	17 502	Other short term receivable	79	79
		Total assets	16 468	55 517
		Deferred tax	-	11 715
		Creditors – Long term	1 556	1 556
		Accounts payable	3 661	3 661
		Taxation	-124	-124
		Total liabilities	5 093	16 808
		Net assets	11 375	38 710

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EVENTS AFTER THE BALANCE SHEET DATE

Refinancing. In April 2008, Roxar secured underwriting commitments for a NOK 400 million subordinated bond to be issued to refinance part of the company's short-term bank debt. The underwriting syndicate consisted mainly of larger shareholders.

On May 26, 2008, the net proceeds of the bond issue was used to refinance parts of the USD 117 million Term loan A. The remainder of this bridge facility will be converted to a term loan with maturity and profile as the existing term loan B, subject to final loan documentation.

The bonds will mature 5 years after settlement date and carry a coupon of NIBOR + 700bps for the first two years with a step-up to NIBOR + 1000bps for the remaining 36 months. Interest will accrue quarterly, and is to be paid in kind, in the form of the issue

of additional bonds. A 2.5% commitment fee was paid up front. In addition, the company paid an underwriting fee of 2.5% to the underwriters. Roxar may call the bonds at any time at decreasing rates starting at 106% of par value and decreasing by 0.25 percentage points per month until 24 months after settlement date, after which the bonds will be callable at par value.

In connection with the refinancing, Roxar will have to pay a structuring, extension and waiver fee to the banks of approx. NOK 5.5 million. The banks interest margin will, depending on the ratio between interest bearing debt and EBITDA, be between 1.75 - 3.75%. Based on the company's financial performance per 31 March 2008, the interest margin related to the bank loans would have been 3.75%.

4

PRO FORMA INFORMATION INCLUDING ACQUISITION OF ROXAR

Pro forma Condensed Consolidated Profit & Loss statement

AMOUNTS IN NOK 1 000	1Q 2008	4Q 2007	1Q 2007	2007
Revenues	303 321	315 015	301 801	1 208 801
Operating profit before deprecation / EBITDA	48 513	-532	43 376	112 390
Depreciation	5 257	5 633	5 216	21 883
Amortization	27 198	27 140	27 001	108 288
Operating profit	16 058	-33 305	11 159	-17 780
Financial income	66 172	15 461	30 554	162 603
Financial cost	-46 679	-46 436	-38 447	-153 357
Profit before tax expenses before discontinued operations	35 551	-64 280	3 266	-8 534
Tax expenses	-10 953	-19 620	1 439	127
Profit before discontinued operations	24 598	-44 660	1 827	-8 661
Discontinued operations	-	-	-504	17 557
Net profit	24 598	-44 660	1 323	8 896

Notes

Pro forma Condensed Revenue per Segment				
AMOUNTS IN NOK 1 000	1Q 2008	4Q 2007	1Q 2007	2007
Flow Measurement	216 863	254 793	220 709	926 596
- Topside	78 870	69 006	50 009	222 655
- Subsea	78 838	89 604	112 600	399 359
- Downhole	22 441	55 218	31 000	171 418
- Services	36 714	40 964	27 100	133 164
Software Solutions	86 458	60 222	81 092	282 204
- Sales / leases	40 769	22 792	35 165	107 873
- Maintenance	19 272	20 738	20 314	85 163
- Services	26 417	16 692	25 613	89 168
Total revenue	303 321	315 015	301 801	1 208 801
Pro forma Condensed EBTIDA per segment				
AMOUNTS IN NOK 1 000	1Q 2008	4Q 2007	1Q 2007	2007
FLOW MEASUREMENT				
Revenues	216 863	254 793	220 709	926 596
EBITDA before allocations of administrative expenses	40 390	24 745	37 862	148 540
Allocations of administrative expenses	15 117	13 055	11 685	49 167
EBITDA after allocations	25 273	11 690	26 177	99 373
Profit Margin	12%	5%	12%	11%
SOFTWARE SOLUTIONS				
Revenues	86 458	60 222	81 092	282 204
EBITDA before allocations of administrative expenses	34 804	-1 957	29 066	60 331
Allocations of administrative expenses	7 866	8 673	8 049	34 087
EBITDA after allocations	26 938	-10 630	21 017	26 244
Profit Margin	31%	-18%	26%	9%
OTHER / NOT ALLOCATED				
EBITDA before allocations of administrative expenses	-26 680	-23 319	-23 552	-96 482
Allocations of administrative expenses	-22 983	-21 728	-19 734	-83 255
EBITDA after allocations	-3 697	-1 591	-3 818	-13 227

Pro forma Condensed EBTIDA per segment > continued

AMOUNTS IN NOK 1 000

1Q 2008

4Q 2007

1Q 2007

2007

GROUP

Revenues	303 321	315 015	301 801	1 208 801
EBITDA before allocations of administrative expenses	48 513	-532	43 376	112 390
Allocations of administrative expenses	-	-	-	-
EBITDA after allocations	48 513	(532)	43 376	112 390
Profit Margin	16%	0%	14%	9%

Basis for preparation

The unaudited pro forma financial information has been compiled in connection with the acquisition of Roxar AS to illustrate what the main effects would be on the consolidated profit and loss statement for 2007 for Roxar ASA if the transaction had occurred at an earlier period.

Sources of pro forma financial information

– historical financial information

The unaudited pro forma financial information has been compiled based on the audited financial statements of Roxar ASA for the financial year ended 31 December, 2007 and the unaudited interim financial report of Roxar ASA (IFRS) and the unaudited interim financial report of Roxar AS (IFRS) for the quarter ended 31 March 2007.

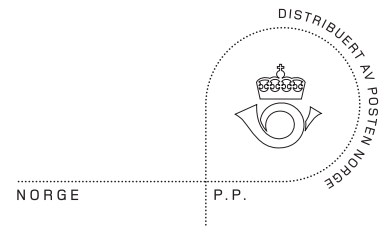
Pro forma accounting principles

The unaudited pro forma financial information has been compiled using accounting principles that are consistent with Roxar ASA (International Financial Reporting Standards - IFRS). These accounting principles are described in the Company's 2007 annual report.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature it addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results.

Basis for preparation of the unaudited pro forma financial information

Roxar ASA acquired all the shares in Roxar AS on 25 July 2007.
 Roxar ASA acquired 70% of the shares in Mareco AS on 1 March 2007 and this is included in Roxar ASA's unaudited interim financial report for Q1 2007 from 1 March 2007. The acquisition is not directly attributable to the transaction that requires pro forma financial information and no pro forma adjustments have been made for this acquisition in the pro forma financial information presented.
 Roxar ASA acquired 100% of the shares in PolyOil Ltd on 3 March 2008 and this is included in Roxar ASA's unaudited interim financial report for Q1 2008 from 3 March 2008. The acquisition is not directly attributable to the transaction that requires pro forma financial information and no pro forma adjustments have been made for this acquisition in the pro forma financial information presented.



The power of respect. Improving financial performance through quantifying risk. Ormen Lange's need for accuracy. Strengthening Norway's technology cluster. A complete picture of the reservoir. Maximum reservoir performance. Better decision-making at all levels. A business model built on innovation. Turning raw data into information. Integrated Reservoir Production Management system. Securing a sustainable gas supply in Tunisia. Optimizing production. Unlocking productivity in assets and people. Leveraging investments. Excellence. Make sure it's Roxar.