



Energy Ventures raises NOK 1 billion and launches third energy fund

Stavanger, 6 September 2007:

Norway-based Energy Ventures has raised more than NOK 1 billion (\$170 million) in the first closing of its third venture capital fund, which will invest in petroleum-related technology companies. At the same time, the company has opened offices in Aberdeen and Houston to supplement its Stavanger head office. A physical presence in these three major oil capitals strengthens Energy Ventures' position as a leading global provider of venture capital to the petroleum sector.

Energy Ventures is a leading international venture capital company which focuses on investments in the energy sector, primarily relating to oil and gas. Its first fund, Energy Ventures I, was raised in 2002/2003 with a committed capital of NOK 314 million (\$55 million), and has so far yielded a return to its investors which ranks among the best for global venture and private equity funds over the past decade. With a committed capital of NOK 589 million (\$100 million), the Energy Ventures II fund is also fully invested but has yet to make any exits. On the back of the good progress made by the oil and gas sector and thereby also by its first two funds, Energy Ventures has now had its first closing of Energy Ventures III.

This fund has NOK 1,010 million (\$170 million) committed at the 1st closing. Ferd is its strategic partner as well as the biggest investor in the fund. The other cornerstone investors are Gjensidige Forsikring, KLP, DnB NOR, Umoe, Hoegh Capital Partners, Jebsen Asset Management, Torvald Klaveness Group, Vital and Storebrand. These 10 have committed a total of NOK 715 million (\$125 million). A number of medium-sized investors as well as the Energy Ventures management are also participating.

In addition to the capital raised, Energy Ventures has planned a second closing of up to NOK 190 million (\$35 million) during the autumn. This will give the new fund an overall committed capital of up to NOK 1,200 million (\$205 million).

“Our investors have shown fantastic confidence in us,” says Managing Partner in Energy Ventures, Ole Melberg. “This confidence creates its own obligation.”

“I can't remember ever seeing a better climate for investing in new technology to help the world obtain cleaner and more efficient energy in sufficient quantities and at prices which consumers can afford.”

“Being involved in bringing such new technology solutions and products to market offers exciting challenges, while also imposing a big responsibility.”

Energy Ventures applies four key criteria when choosing companies in which to invest, one of which is that the technology must be groundbreaking. The management must also have the ability to achieve its goals and be easy to cooperate with, the product must have an international market and the economics of scaling the business must offer a great potential.

Energy Ventures works actively and purposefully with its portfolio companies, and contributes in such areas as strategic and management development, extensive industrial and financial expertise, and an extensive network combined with long experience of developing technology companies. In addition, it naturally provides sufficient venture capital to support the rapid build-up of professional and successful companies.

Over the past two years, Energy Ventures has exited five companies through its first fund. Four of the sales have been to Norwegian listed companies, while one company had a successful IPO on the Oslo stock exchange. Sense Intellifield was sold to Kongsberg Gruppen, SeaBed Geophysical to the SeaBird seismic survey company, Sense EDM to TTS Marine and MTEM to PGS, while APL was listed in 2005.

Ahead of the creation of its third fund, Energy Ventures has opened offices in Aberdeen under the management of Greg Herrera and in Houston with Helge Tveit in charge. The two first funds have made a number of international investments. By strengthening its local presence, the company aims to gain better access to deal flow and better opportunities for following up its portfolio companies.

“We’ve seen clear evidence that our success during recent years has been noticed internationally,” says Helge Tveit, an Energy Ventures Partner.

“The experience we’ve built up also makes us an attractive and often preferred partner for international petroleum-related companies in a venture phase. We want to capitalise more strongly on this through our Aberdeen and Houston offices.”

The lawfirm CLP has in partnership with Wikborg Rein assisted Energy Ventures as its Norwegian legal advisors. Bedell Cristin has acted as the fund’s Guernsey legal advisor.

The Aztec Group in Guernsey acts as the fund’s administrator in Guernsey.

Further information:

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www.energyventures.no