

Fourth Quarter 2005



RESULTATREGNSKAP / INCOME STATEMENT

	Q4 2005 IFRS NOK 000'	Q4 2004 IFRS NOK 000'	31.12.2005 IFRS NOK 000'	31.12.2004 IFRS NOK 000'
Driftsinntekter/operating Income				
Salgsinntekter / Revenue	6 873	138	10 980	219
Sum driftskostnader/Total Operating Income	6 873	138	10 980	219
Driftskostnader/Operating Expenses				
Driftskostnader olje og gass / Operating costs, oil & gas	5 104	-	11 367	215
Lønnskostnad / Payroll and related cost	1 946	1 592	4 591	1 592
Avskrivning på varige driftsmidler / Depreciation and amortization	3 619	995	4 838	1 110
Nedskrivning av varige driftsmidler / Impairment loss fixed assets	70	32 578	70	32 578
Annen driftskostnad / Other operating expenses	22 420	4 526	38 284	7 006
Sum driftskostnader/Total operating expenses	33 159	39 906	59 150	42 501
Driftsresultat/operating result	-26 286	-39 768	-48 169	-42 282
Finansinntekter / Financial income	3 241	363	3 935	363
Finansutgifter / Financial expenses	867	520	3 300	615
Netto finansposter/Net financials	2 374	-158	635	-253
Resultat/Result	-23 911	-39 925	-47 534	-42 534
Herav majoritetens andel av resultatet / Majority share of profit	-23 911	-39 473	-46 215	-41 824
Herav minoritetens andel av resultatet / Minority share of profit	-	-452	-1 319	-710
Resultat pr aksje / Result per share	-0,045	-0,135	-0,128	-0,286
Utvannet resultat pr aksje / Diluted result per share	-0,045	-0,135	-0,128	-0,286

BALANSE / BALANCE SHEET

	31.12.2005 IFRS NOK 000'	31.12.2004 IFRS NOK 000'	31.12.2004 NGAAP NOK 000'
EIENDELER / ASSETS			
Anleggsmidler/Fixed Assets			
Immatrielle eiendeler/Intangible fixed assets			
Patenter og utviklingskostnader / Patents and development costs	3 702	41	-
Seismikkbibliotek / Seismic library	17 902	-	-
Goodwill	154 563	117 534	3 536
Sum immatrielle eiendeler/Total intangible assets	176 167	117 575	3 536
Varige driftsmidler/Tangible fixed assets			
Olje- og gasseiendommer / Oil- and gas properties	10 755	947	908
Inventar og kontormaskiner / Furniture, fixtures and office machines	2 030	85	65
Sum varige driftsmidler / Total Tangible Fixed Assets	12 784	1 032	973
Finansielle anleggsmidler/Financial Fixed Assets			
Investeringer i tilknyttet selskap/ Investmensts in associates	-	-	4 710
Sum finansielle anleggsmidler/Total financial fixed assets	-	-	-
Sum anleggsmidler/Total fixed assets	188 951	118 607	9 219
OMLØPSMIDLER / CURRENT ASSETS			
Kortsiktige fordringer/Short term receivables			
Kundefordringer / Trade receivables	1 390	-	-
Andre fordringer / Other receivables	8 886	1 009	787
Sum kortsiktige fordringer/total short term receivables	10 276	1 009	787
Bankinnskudd/ Bank deposits			
Bankinnskudd / Bank deposits	242 217	25 544	21 379
Sum bankinnskudd / Total bank deposits	242 217	25 544	21 379
Sum omløpsmidler / Total current assets	252 492	26 553	22 166
Sum eiendeler / Total assets	441 443	145 160	31 385
EGENKAPITAL OG GJELD / EQUITY AND LIABILITIES			
Egenkapital og Gjeld/ Equity and liabilities			
Aksjekapital / Share capital	131 539	74 060	74 060
Egne aksjer / Own shares	-25	-25	-25
Overkursfond / Share premium reserve	287 732	-	-
Annen egenkapital / Other equity	-	-49 066	-45 236
Minoritetsinteresser / Minority interest	-	117 373	-
Sum egenkapital / Total Equity	419 246	142 342	28 799
Gjeld / Liabilities			
Kortsiktig gjeld/ Current Liabilites			
Leverandørgjeld / Trade payables	4 949	2 088	1 968
Annen kortsiktig gjeld / Current liability	17 248	730	618
Sum kortsiktig gjeld/ Total current liabilites	22 197	2 818	2 586
Sum gjeld/Total liabilities	22 197	2 818	2 586
SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND LIABILITIES	441 443	145 160	31 385

KONTANTSTRØMOPPSTILLING/ CASH FLOW STATEMENT

	Q4 2005	Q4 2004	31.12.2005	31.12.2004
	IFRS	IFRS	IFRS	IFRS
	<i>NOK 000'</i>	<i>NOK 000'</i>	<i>NOK 000'</i>	<i>NOK 000'</i>
Operasjonelle aktiviteter / Operational activities				
Ordinært resultat før skattekostnad / Result	-23 911	-39 925	-47 534	-42 534
Avskrivning og amortisering / Depreciation and amortization	3 619	995	4 837	1 110
Nedskrivninger / Write-downs	70	32 578	70	32 578
Gevinst/tap ved salg av eiendeler / Gain/loss on sale of assets	-0	-	7	-
Kostnader ansattes aksjeopsjoner / Cost employees share based payment	1 708	-	1 708	-
Endring av andre tidsavgrensningsposter / Changes in other current balance sheet items	12 941	-3 326	10 096	-6 539
Effekt av valutakursendringer / Changes in exchange rates	-1 472	65	-1 512	65
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	-7 045	-9 613	-32 328	-15 320
Investeringsaktiviteter / Investing activities				
Utbetalinger ved kjøp av driftsmidler/prosjekt kostnader / Investments in tangible assets	-27 275	-287	-37 704	-483
Innbetaling ved salg driftsmidler/prosjekter / Cash flow from sales of assets	-2	-	207	-
Innbetaling ved endret konsernsammensetning / Cash flow from changes to the group	-	-	-	750
Effekt av valutakursendringer / Effect of changes in exchange rates	-	-224	-	-224
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	-27 277	-511	-37 497	43
Finansieringsaktiviteter / Financing activities				
Innbetalinger ved opptak av ny kortsiktig gjeld / Proceeds from issuance of short term debt	-	-	19 080	-
Tilbakebetaling av kortsiktig gjeld / Repayment of short term debt	-19 080	-	-19 080	-
Innbetalinger ved utstedelse av aksjekapital / Capital increase	245 928	-	286 426	40 413
Effekt av valutakursendringer / Effect of changes in exchange rates	-345	-	-406	-
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financing activities	226 503	-	286 020	40 413
Effekt av valutakursendringer på kontanter / Exchange rate changes	180	-57	477	-57
Netto endring i kontanter / Net change in cash	192 361	-10 181	216 673	25 079
Beholdning av kontanter periodestart / Cash at start of period	49 856	35 725	25 544	465
Beholdning av kontanter periodeslutt / Cash at end of period	242 217	25 544	242 217	25 544

Egenkapital / Equity

	Aksjekapital/ Share capital	Egne aksjer/ Own Shares	Overkursfond/ Share premium reserves	Annen egen kapital/ Other Equity	Minoritet/ Minority	Sum egenkapital/ Total Equity
Egenkapital 01.01.2005 IFRS	74 060	-25	0	49 066	117 373	142 342
Kontant emisjoner/ Equity Issue	32 479	0	253 957	-10	0	286 426
Emisjon ved gjennomført trekantfusjon/ New issues due to three party merger	25 000	0	89 000	40 402	-117 373	37 029
Omregningsdifferanser valuta/ Exchange rate adjustments	0	0	0	-725	0	-725
Ansattes aksjeopsjoner/ Option program	0	0	0	1 708	0	1 708
Periodens resultat inkl minoritet/ Net Income	0	0	0	-47 534	0	-47 534
Egenkapital 31.12.2005 IFRS	131 539	-25	342 957	42 907	0	419 246

Antall aksjer /Number of shares	a NOK 0,25
Antall aksjer 01.01.2005 (i hele tusen)	296 241
Antall aksjer 30.06.2005 (i hele tusen)	325 865
Antall aksjer 30.09.2005 (i hele tusen)	425 865
Antall aksjer 31.12.2005 (i hele tusen)	526 158

In an extraordinary shareholders meeting held 23rd of February 2006 the shareholders made descisions which implicates issuance of new shares and the possibility of buying own shares.

ROCKSOURCE Group - Notes 4th quarter 2005
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Principles and reporting

The quarterly reports are with effect from 2005 prepared in accordance with IFRS, stating converted 2004 IFRS accounting figures for comparison purposes. Brief information on the transition from NGAAP to IFRS is included in note 1. Refer otherwise to more detailed information in the interim financial statement for Q1 2005.

The quarterly reports are in accordance with IAS 34 – Interim Financial Reporting and IFRS-standards issued and effective at date of reporting. The quarterly report accounting policies are consistent with the policies applied in the annual reports.

The transition to IFRS took place when Amergy AS was established/formed in March 2004. This was the acquiring company for accounting purposes in the merger with Ecuator ASA (later Rocksource ASA) that was carried out in the autumn of 2004. The IFRS accounting policies have been applied consistently in 2005 and for the 2004 comparative figures.

The consolidated accounts include Rocksource ASA (Rocksource), Rocksource Energy Corporation (Rocksource Energy) and Rocksource Geotech AS (Rocksource Geotech).

Rocksource acquired 20% of the shares in Rocksource Geotech in September 2004 and also had an option to buy the remaining 80% of the shares for NOK 150 million by 1 July 2009. As a result of this option, Rocksource Geotech has become consolidated for accounting purposes from the acquisition date, 3 September 2004. The option are exercised in 2005 by way of a merger with subscription of 100 million new shares in Rocksource, Rocksource Geotech are now a wholly owned subsidiary.

All of the estimated excess value relating to the acquisition of consolidated companies has been defined as goodwill. Following a concrete assessment, the excess value that has been acquired is mainly regarded as being linked to person-related expertise and geology experience, as well as to access/rights to technology that is promising and still being developed. The excess value cannot therefore, in the Company's opinion, be classified as an intangible asset, either in whole or in part, but should instead be classified as goodwill. Capitalized goodwill is stated at cost less impairment losses.

Exploration and development costs for oil and gas properties are capitalised according to the successful effort method. The IFRS currently do not specify any industry-specific standard for oil and gas activities, and IFRS 6 allows the continued application of previously used principles. Nonetheless, the Group has chosen to start using successful effort instead of full cost. All exploration costs, with the exception of licence purchases and costs relating to drilling are charged to expenses as they are incurred. Development costs (including those relating to exploration drilling) are capitalised using continuous write-down testing. Capitalised costs are depreciated as from and including the year when commercial reserves are proven on the field.

Expenditure on research activities is recognised in the income statement as an expense as incurred. Expenditure on development activities is capitalized if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. The expenditure capitalised includes the cost of external services. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization based on expected lifetime and impairment losses.

Rocksource has positioned the company for exploration and production licenses on the Colombian continental shelf on the Caribbean and Pacific coast, as part of the company's E&P activities, by participating in a larger collection of seismic data together with the seismic company InSeis AS. The multi-client seismic library capitalised per 31.12.2005 is related to this joint venture project. Costs directly related to the collection and processing of data is capitalized. Capitalized collection and processing expenditure is stated at cost less accumulated amortization and impairment losses. Revenues are recognised in the income statement according to the degree of completion of the project.

ROCKSOURCE Group - Notes 4th quarter 2005
Note 1: The effect of the transition to IFRS

Rocksource ASA has conducted an analysis of the differences between NGAAP and IFRS, and the reconciliation below shows a summary of the effects on the equity and results.

The date of the transition from NGAAP to IFRS is the date when Amergy AS was formed (March 2004). At that time, there were no differences between NGAAP and IFRS, so no reconciliation has been prepared for the opening balance sheet on the transition date.

Reconciliation of transition to IFRS	31.12.2004
NGAAP equity	28 799
Result after transition	1 497
Consolidation Rocksource Geotech AS, minority interests	114 000
Merger - changed implementation date	-2 130
Rocksource EC - adjusted differences in exchange rates	176
IFRS equity - incl. minority interests	142 342

Reconciliation of transition to IFRS	Q4 2004	31.12.2004
NGAAP result	-40 853	-44 031
Goodwill - reversed amortisation	463	771
Consolidation Rocksource Geotech AS	-275	-597
Merger - changed implementation date	702	1 460
Rocksource EC - conversion to "successful effort" method	40	-136
IFRS result - incl. minority interests	-39 923	-42 534

Note 2: Segment information per. 31.12.05

The Group's primary business areas (segments) are:

1. Oil and gas exploration and production
2. Geo-technical services
3. Minerals and metals

The mineral and metals related operations no longer form part of the Group's core areas, and will be demerged into a separate company in 2006, see note 6.

The segments do not have separate financing/funding and net financials is not allocated. There have been no transactions between the segments.

YTD	Oil/gas	Geo-technical services	Minerals/metals	Total
Revenue	7 031	3 887	62	10 980
Operating result	-41 600	-5 850	-719	-48 169
Assets	15 369	173 582	0	188 951

Q 4 2005	Oil/gas	Geo-technical services	Minerals/metals	Total
Revenue	2 986	3 887	0	6 873
Operating result	-24 279	-1 872	-135	-26 286

ROCKSOURCE Group - Notes 4th quarter 2005

Note 3: Pro forma figures

The transferring company in the merger with Ecuator Geotech - Rocksource Geotech - was consolidated for accounting purposes as from the acquisition date in September 2004. Pro forma figures would not, therefore, provide any additional information and have thus not been prepared.

Note 4: Related parties /share based payments

Reference is made to detailed information disclosed in the annual report for 2004 concerning related parties.

The management agreement with Dag Dvergsten AS has been renegotiated in 4th quarter. As a result of this renewed agreement a share based compensation was approved at the extraordinary shareholders meeting held 23 February 2006. The additional compensation is fully recognized in the 2005 income statement.

Stock exchange notifications have been published regarding employment of new CEO, both in June 2005 (Martin Bekkeheien) and January 2006 (Trygve Pedersen). Both former and present CEO has received share based payments through share options.

The organisation has been considerably strengthened in 4th quarter. A share based incentive programme was approved at the shareholders meeting held 23 February 2006.

Note 5: Loan agreement

In April 2005 Rocksource ASA entered a USD 3 mill loan agreement with term 01.05.2005 – 30.04.2006, at a fixed interest rate of 15 per cent payable at maturity date. The agreement included a call option with maturity at earlier dates. The loan was repaid in full primo November 2005.

Note 6: Demerger of mineral and metals activities.

Rocksource ASA will demerge its business activities and assets within exploration and production of coal, metals and minerals, where after the demerged entity shall be incorporated as Nordic Mining ASA. The demerger was approved at the shareholders meeting held 23 February 2006.

Note 7: Value Added Tax Claim

Ameryg AS, the assigned company in the merger with Ecuator ASA carried out in 2004, has received a claim for NOK 2.1 mill in Value Added Tax. The claim is regarded as incorrect, and no liability has been capitalized in the 2005 accounts.