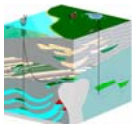

KMS Technologies

KJT Enterprises Inc.
6420 Richmond Ave, Suite 610
Houston, Texas 77057, USA
Tel.: 713.532.8144
Fax: 832.204.8418
www.KMSTechnologies.com

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RXT AND EMGS JOINTLY ACQUIRE KMS TECHNOLOGIES

Reservoir Exploration Technology ASA (RXT) and Electromagnetic Geoservices ASA (EMGS) and have agreed to each acquire 50 percent of the EM technology company KMS Technologies.

KMS Technologies, a Houston based company, focuses on developing and improving advanced electromagnetic methods (EM) for the oil industry to improve hydrocarbon discovery and recovery rates. Their unique technology offers the potential for a wider range of applications than current EM solutions, including a new and improved way of acquiring data in shallow water without having to deal with the air wave in the way one has to do for all other methods on the market today. It will thus allow measurements in places and areas that until now have been a challenge and in some cases impossible. After the acquisition, KMS Technologies will be operated as a joint venture between RXT and EMGS.

The total purchase price will be USD 34 million, USD 17 million from each purchaser. USD 20 million (USD 10 million from each purchaser) of the purchase price is to be settled in shares, and USD 14 million (USD 7 million from each purchaser) is to be settled in cash. In addition, RXT will pay USD 11 million over 12 years in royalty payment to KMS, and an incremental USD 3 million in retention- oriented compensation for KMS`s scientific team. The transaction is expected to be finalized late November 2007.

Earlier this year RXT signed an agreement with KMS Technologies for exclusive rights to their cable based seafloor technology, an electromagnetic (EM) technology for cable based seafloor applications offshore. RXT will retain the rights for exclusive access to this technology. As part of the terms of the purchase, EMGS will have exclusive rights for KMS Technologies` node based applications.

Given the success we have had in the short time we have been working with KMS Technologies and our belief in the importance of EM technology in the future, we felt we needed to strengthen our relationship with KMS Technologies, and obtain greater control on the technology. This acquisition achieves both objectives. Additionally, the joint acquisition with EMGS provides RXT the opportunity to work with the industry leader in EM services; EMGS. We welcome this opportunity, says RXT CEO Michael Scott.

RXT will call for an extraordinary general meeting to be held 30 November 2007 to approve the issuance of shares related to the purchase. See separate announcement.

As the market leader of the EM industry we need to continuously search to strengthen our leading technological position further. The tCSEM™ of KMS Technology is one of few significant new developments since EMGS invented the EM industry and that is why we make this move to secure the access to this technology. Through the acquisition of KMS Technologies we improve the mix of products that we can offer to our clients. The add-on benefit for the industry has already been proven through use of the technologies of EMGS and KMS Technologies in a common survey in Egypt for one of the major energy companies late last year. We look forward to working together with RXT, clearly the industry leader in multi component seismic sea- floor acquisition, says CEO Terje Eidesmo in EMGS.

EM

EM technology, unlike traditional seismic technology, can differentiate between hydrocarbons (oil/gas) and water. Successful application of EM reduces the number of dry wells, thereby reducing the oil companies` exploration cost. The technology is complementary to seismic, not competitive. Using EM in conjunction with traditional seismic can significantly increase exploration and field development success rates. Controlled source EM (CSEM) has become a proven technology, and is becoming an important tool to the oil and gas industry.

For further information, please contact:

EMGS: CEO Terje Eidesmo, phone + 47 73 56 88 10

RXT: CFO Odd Erik Rudshaug, phone: + 47 41 61 28 58

About EMGS:

EMGS is the global market leader for the provision of seabed logging services, a technology that enables the detection of hydrocarbons beneath the seabed before drilling. EMGS has developed this proprietary and patented technology over the past 10 years. Since its incorporation as a separate company in 2002, EMGS has conducted more than 250 commercial surveys for many of the world`s leading oil and gas companies and offshore operators.

www.emgs.com

About RXT:

Reservoir Exploration Technology ASA (RXT) is a marine geophysical company specializing in multi component seismic sea-floor acquisition. Multi component seismic solves several imaging challenges that cannot be resolved with towed streamer seismic. This results in improved oil recovery from existing fields as well as better quality data for exploration. Seafloor cables are also the solution where towed streamers are impractical due to, for example, a high density of platforms and/ or shallow water. The Company has offices in Oslo, London and Houston. RXT is listed on the stock exchange in Norway (OSE ticker: RXT).

www.rxt.com

About KMS:

KMS Technologies, a division of KJT Enterprises Inc. of Houston Texas focuses on advanced electromagnetic methods for the oil industry for improved hydrocarbon discovery and recovery rates. KMS staff includes world recognized experts in the geosciences who have authored numerous publications/inventions and technologies and received several major awards for their technical work. Over the past 8 years KMS has taken EM technologies in borehole, marine and permanent installations from patents to prototype field tests and are presently transitioning them to services.

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