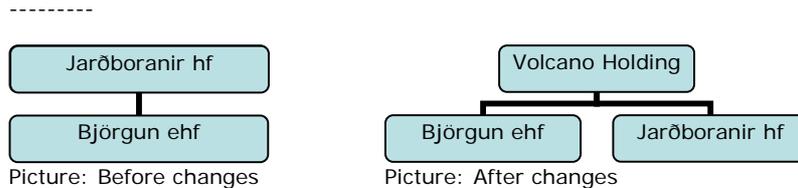


Atorka assumes Jarðboranir's bond issues in parallel with Jarðboranir's refinancing

In a board meeting at Jarðboranir which was held today 27 November 2006 it was decided to sharpen focus in Jarðboranir's operations and make changes to the company's legal organization. The plan is for Jarðboranir and Björgun in the future to be at the same level such that they will be owned by the same holding company, Volcano Holding ehf. At the same time the company is refinanced.

Volcano Holding ehf's management will be the same as Jarðboranir's current management and this will not have any impact on the operations of Jarðboranir hf as they are now. Jarðboranir's management believes that this new organization and financing will support significantly the company's overseas expansion and increased operations.



As a part of this, it was decided to submit a motion at a shareholders' meeting, which will be held on 30 December 2006, to split the company, as of 1 October 2006, into three companies based on article 133 of act no. 2/1995 on public limited liability companies:

- Jarðboranir hf which will continue the company's drilling operations
- Specific holding company for Björgun ehf and
- Specific holding company which will assume Jarðboranir's bond issues, JRDB 03 1, JRDB 04 1 and JRDB 05 1

The three company's which will be created by the split, are responsible for the mentioned bond issues as is further described in article 144 of act no. 2/1995 on public limited liability companies. It follows from it, i.a., that participating companies are jointly and severally responsible for obligations that exist when a plan to split is published up to the net value falling to each company in a split.

Furthermore, Atorka's board decided today to take over the holding company which assumes the bond issues and they will, consequently, be assumed by Atorka when necessary procedures in relation to that have been completed. Atorka's share capital after the assumption of the bond issues will remain the same. This will have the effect that Atorka will get cash in an amount that corresponds to the amount of the bond issues, but will after all procedures being finalized be responsible for their payment.

Yesterday in relation to this agreements were signed between Volcano Holding ehf and Landsbanki Islands, which comprise ISK 5,000 million in as a term loan, ISK 1,000 million as a revolving credit facility and ISK 3,500 as an acquisition facility, and are intended to finance the company's group. The company has in addition to this appx. ISK 2,000 million in cash.

"These changes allow Jarðboranir to sharpen its focus on profit segments and support the company's fundamentals further. Also the financial strength of the company is increased in a way which can be utilized for further growth in foreign markets. The changes will not affect the company's employees," says Bent Einarsson, Jarðboranir's CEO.

"This procedure gives Atorka flexibility and opportunities for increased investments at the same time as increasing Jarðboranir's strength for overseas expansion," says Magnús Jónsson, Atorka's CEO.

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