

# emgs presentation

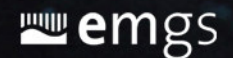
June 2007

CEO Terje Eidesmo

ABG Sundal Collier - Marine Geophysics and Seismic Seminar

London

Finding hydrocarbons™





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# Agenda

Highlights

The seabed logging industry  
emgs' positioning

Financials

Summary & Outlook



## Group highlights

Strong market development

Breakthrough for seabed logging on the Norwegian Continental Shelf

Vessels, equipment and people to support growth plan through 2008

Secured capital for future growth

Expects revenues of USD 160-170 million in 2007





# The seabed logging industry

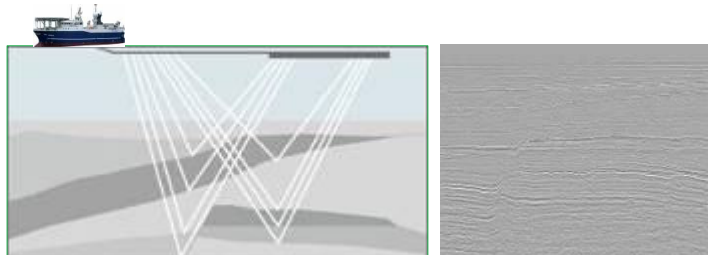
# Evolving exploration beyond seismic

## Seismic

- Detects structure but **not** fluid content
- Long turnaround time; 6+ months

~25% exploration  
success rate

- High uncertainty before drilling
- High economic and opportunity cost of drilling

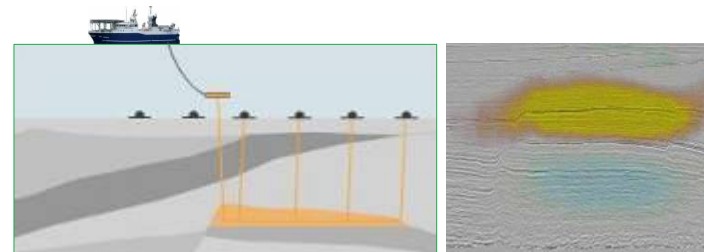


## The emgs solution

- Remote detection of offshore hydrocarbons
- Rapid turnaround; days

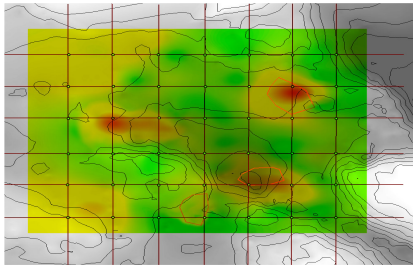
> 90% technical  
success rate

- High degree of confidence before drilling
- More efficient use of drilling resources
- Synergistic integration with seismic data



# The seabed logging applications

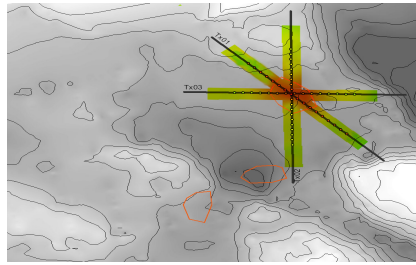
## Prospect finding



- ▶ Relevant to frontier, young and mature basin exploration
- ▶ Coarse grid of survey lines
- ▶ Covers large areas rapidly,
- ▶ Find's new leads and prospects for further evaluation

"Where to drill"

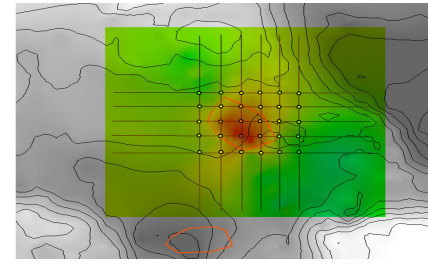
## Prospect ranking



- ▶ Relevant to known prospects
- ▶ Single or multiple survey lines crossing a prospect
- ▶ Validates and ranks prospects before further investment
- ▶ Drill or drop decisions

"Whether to drill"

## Prospect/field appraisal



- ▶ Relevant to known prospects & fields
- ▶ Fine grid of seabed logging lines
- ▶ Delineates prospects and fields for development planning
- ▶ Definition of volumes, reserves and well planning

"Where to drill next"

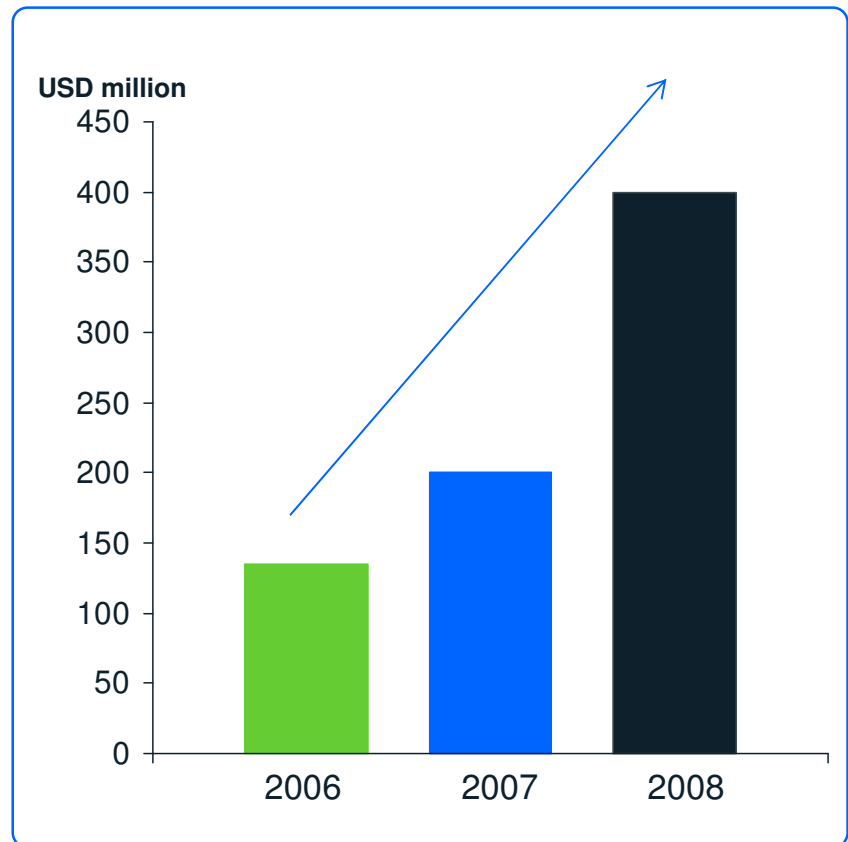
# Seabed logging is becoming a market force

More and more companies adopt the seabed logging technology

Anticipated market potential of USD 200 million in 2007

In emgs' opinion the market could potentially double annually beyond 2007

Seabed logging can reach the size of marine seismic market



In the future oil companies will not drill without seabed logging





# emgs' positioning

# Technology leader with control of vital resources

All hardware, software and methodology in-house

Ownership of all products

Highly experienced group of geologist and geophysicists

More than 30 employees with Ph.D

Collaboration with a range of research institutes and organizations

R&D agreements with high ranking oil clients



# Operational experience and a fully integrated offering

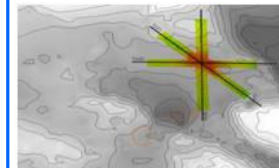
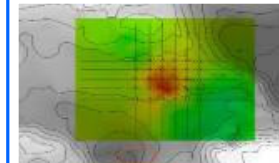
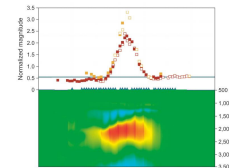
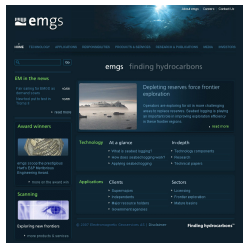
Pre-survey  
modeling

Contracting

Surveying

Data  
processing  
and  
interpretation

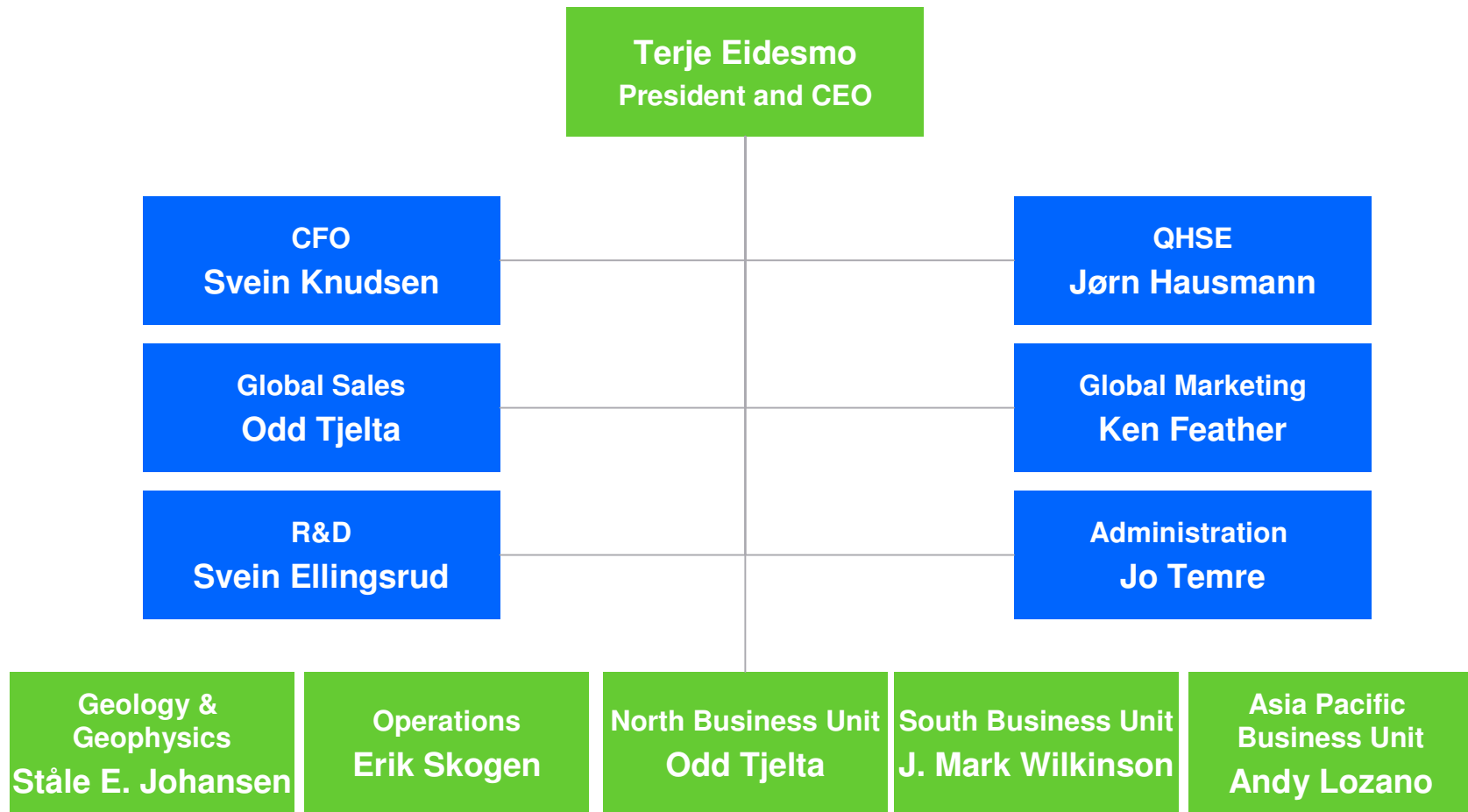
Output and  
advice



# Global Platform



# Experienced Management Team





# Proven track record

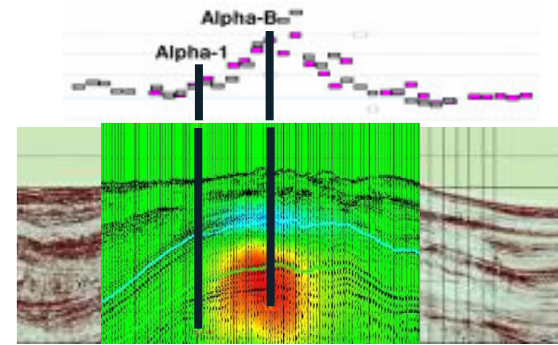
Over 250 commercial surveys

Over 40 wells drilled

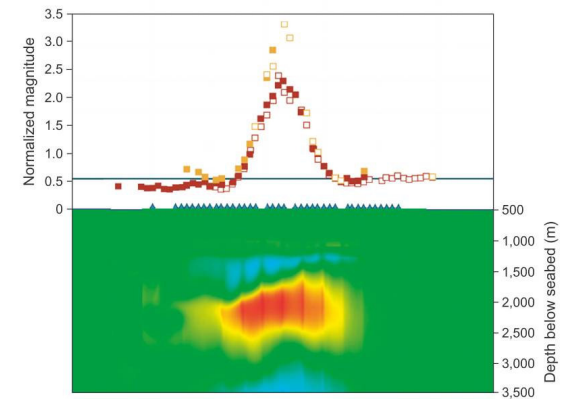
More than 90% success rate

Demonstrated growth ability

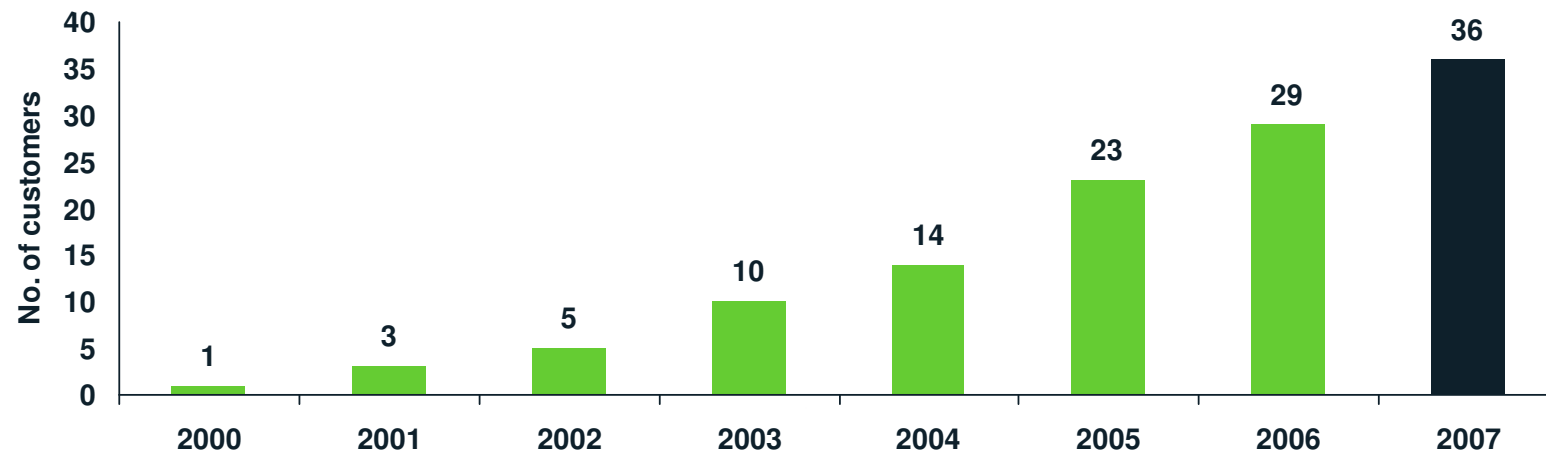
## Southeast Asia



## Norway (Troll)



# Strong long-term customer relations



## Customer case: The Aker Exploration contract

Minimum value of USD 30.8 million

Option for USD 6.7 million in 2007

Annual options contract for 2008-2011

Maximum value of USD 196 million

Barents Sea, Norwegian Sea and North Sea



**A complete seabed logging package – from pre-survey to interpretation**

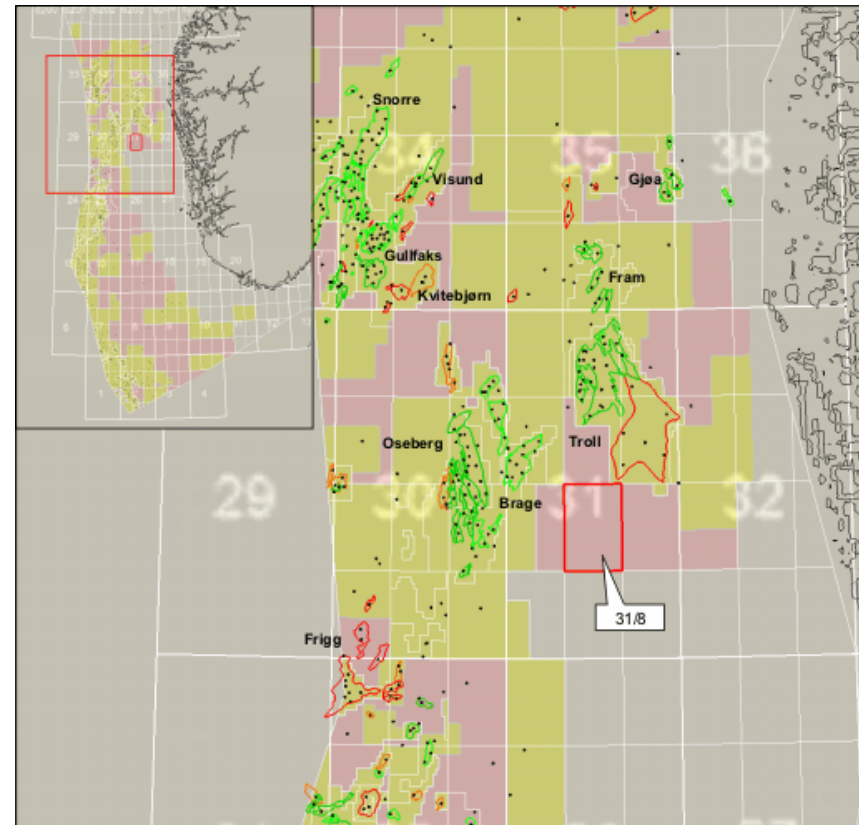
# Customer case: The Rocksource contract

Minimum value USD 12 million

25 survey lines (maximum 50)

Approximately three months

Large upside potential



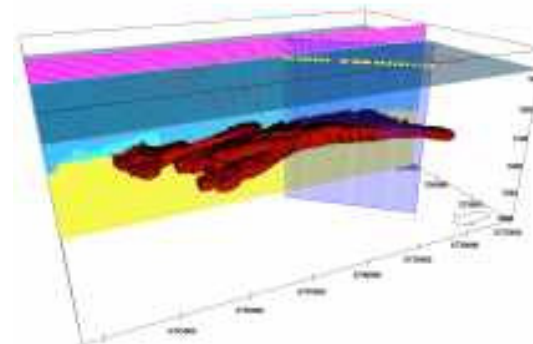
Seabed technology will be used by Rocksource in early exploration phase

# R&D agreement with Statoil

Recently signed agreement with Statoil to develop new and improved software and methods for the analysis of electromagnetic data from seabed logging

emgs will develop new software routines for processing and imaging of electromagnetic data

Statoil will fund the project and have access to the results







# Financials

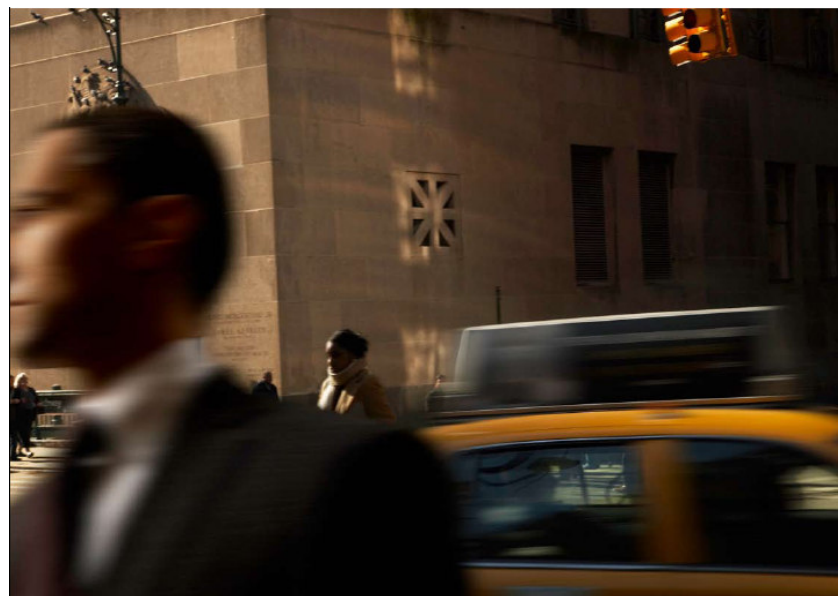
## Financial highlights – Q1 2007

Q1 revenues of USD 25.9 million

Q1 influenced by non-recurring  
cost items of USD 8.6 million

EBITDA loss of USD 8.0 million

Q2 revenues of USD 35-40 million  
expected





# Summary & Outlook

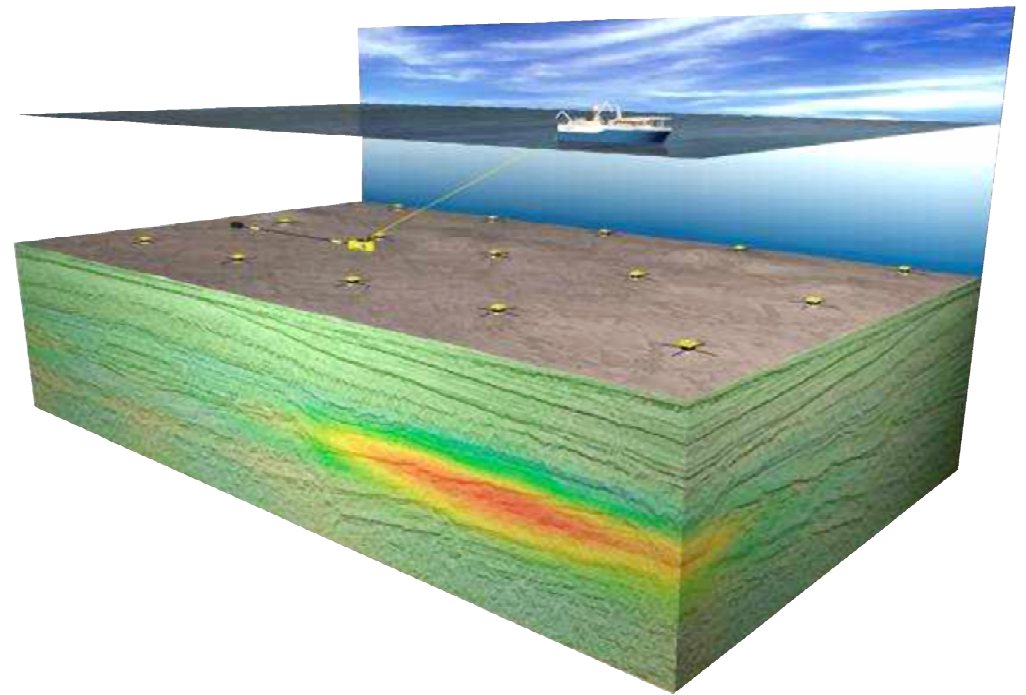
# emgs holds a strong and unique position

Breakthrough for seabed logging technology in a strong and rapidly growing market

Strong proprietary position across the value chain - from concept to technology and applications

Unique operational experience - years ahead of the competition

Highly profitable and scalable business model



# Outlook

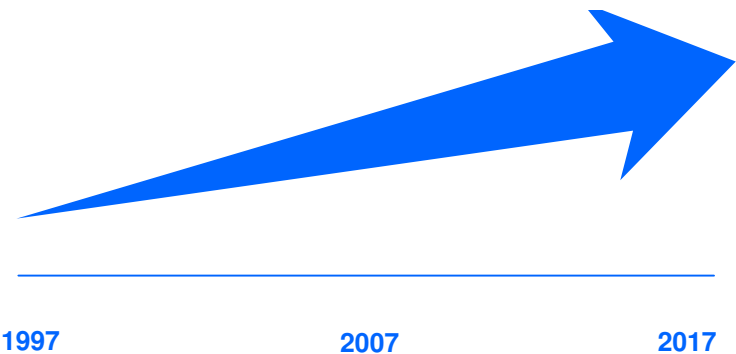
Continue to develop new contracts to secure the 2007 revenue goals and set a good start to 2008

Summer season looks promising with fifth vessel being mobilized in Q3

Revenue expected at USD 160-170 million in 2007



the seabed logging company







# Q & A



# Appendix

# Condensed Income Statement

USD Million	Quarterly		Year to date		Full year
	Q1 2007	Q1 2006	2007	2006	2006
<b>Revenues</b>	25.9	25.6	25.9	25.6	117.7
Charter hire, fuel and crew expenses	18.8	13.4	18.8	13.4	62.7
Employee expenses	11.1	2.7	11.1	2.7	18.2
Other operating expenses	3.9	2.3	3.9	2.3	16.2
<b>EBITDA</b>	<b>(8.0)</b>	<b>7.3</b>	<b>(8.0)</b>	<b>7.3</b>	<b>20.7</b>
Depreciation and amortization	2.6	1.5	2.6	1.5	7.5
<b>EBIT</b>	<b>(10.6)</b>	<b>6.8</b>	<b>(10.6)</b>	<b>6.8</b>	<b>13.2</b>
Net financial expenses	(1.0)	(1.6)	(1.0)	(1.6)	(32.8)
<b>Profit (loss) before tax</b>	<b>(11.6)</b>	<b>4.2</b>	<b>(11.6)</b>	<b>4.2</b>	<b>(19.6)</b>
Tax	0.7	0.5	0.7	0.5	5.6
<b>Net profit (loss)</b>	<b>(12.3)</b>	<b>3.7</b>	<b>(12.3)</b>	<b>3.7</b>	<b>(25.3)</b>

# Balance Sheet

USD Million	Quarter ended March 2007	Quarter ended 31 March 2006	Year ended 31 December 2006
<b>ASSETS</b>			
Cash and cash equivalents	12 834	2 578	20 485
Trade receivables	24 309	15 751	31 910
Other current assets	138 606	2 856	8 767
<b>Total current assets</b>	<b>175 750</b>	<b>21 185</b>	<b>61 162</b>
Intangible assets	2 330	1 201	2 430
Property, plant and equipment	25 324	18 232	23 302
<b>Total non-current assets</b>	<b>27 654</b>	<b>19 433</b>	<b>25 732</b>
<b>TOTAL ASSETS</b>	<b>203 404</b>	<b>40 618</b>	<b>86 894</b>
<b>LIABILITIES</b>			
Trade payables	23 973	12 585	20 677
Borrowings	30 696	17 148	13 623
Fair value conversion rights	-	24 978	-
Current tax liability	5 036	942	4 843
Other short term liabilities	15 530	11 351	7 751
<b>Total current liabilities</b>	<b>58 740</b>	<b>67 003</b>	<b>46 894</b>
<b>Total non-current liabilities</b>	<b>24 942</b>	<b>3 643</b>	<b>22 880</b>
<b>TOTAL LIABILITIES</b>	<b>83 683</b>	<b>70 646</b>	<b>69 774</b>
<b>EQUITY</b>			
<b>Total equity</b>	<b>119 722</b>	<b>(30 029)</b>	<b>17 120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>203 404</b>	<b>40 618</b>	<b>86 894</b>

# Condensed Statement of Cash Flow

USD million	Quarterly		Full year
	Q1 2007	Q1 2006	2006
Net cash flow from operating activities	(3 001)	(5 731)	(4 017)
Net cash flow from investing activities	(4 087)	(2 216)	(14 352)
Net cash flow from financial activities	(563)	7 976	36 305
Net profit (loss)	(7 651)	29	17 936



# Ownership Structure (as of May 14)

Shareholder	Shares	Holding
Warburg Pincus	46,307,312	63.05%
State Street Bank & Trust	2,477,031	3.37%
Bjarte Bruheim	1,410,302	1.92%
JP Morgan Chase	1,214,100	1.65%
Fortis Bank Luxembourg	1,196,058	1.63%
Morgan Stanley & Co.	1,035,011	1.41%
Investors Bank and Trust Company	1,005,943	1.37%
Terje Eidesmo	854,214	1.16%
Fidelity Funds	842,300	1.15%
Svein Ellingsrud	750,214	1.02%
Brown Brothers Harriman and Co.	735,900	1.00%
Mellon Bank	576,747	0.79%
Goldman Sachs & Co.	573,475	0.78%
Goldman Sachs International	553,287	0.75%
UBS AG	513,769	0.70%
Other	13,404,337	18.65%
<b>TOTAL</b>	<b>73,450,000</b>	<b>100.0%</b>