



EMGS ASA

- FIRST SECURITIES LUNCH PRESENTATION

CEO, Roar Bekker
30 November 2010

DISCLAIMER

This quarterly presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Electromagnetic Geoservices ASA (EMGS) and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the EMGS' businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time.

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HIGHLIGHTS Q3

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Financial results in line with expectations

- Revenues of USD 22.8 million
- EBITDA of USD 6.5 million

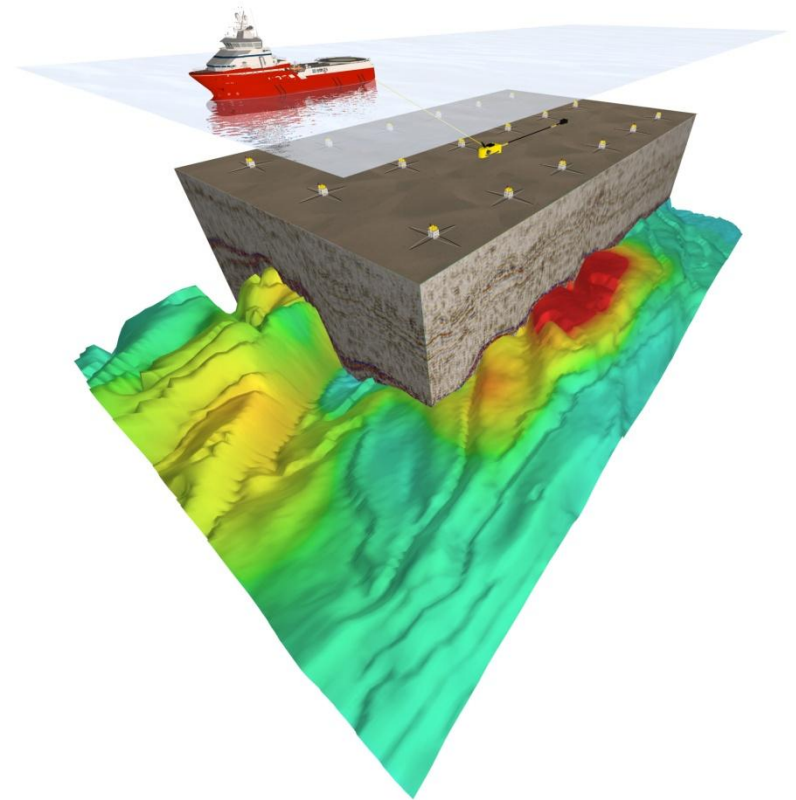
High operational activity

- Vessel utilisation and backlog at all-time high
- Three vessels in operation
- PEMEX contract well underway

Market fundamentals improving

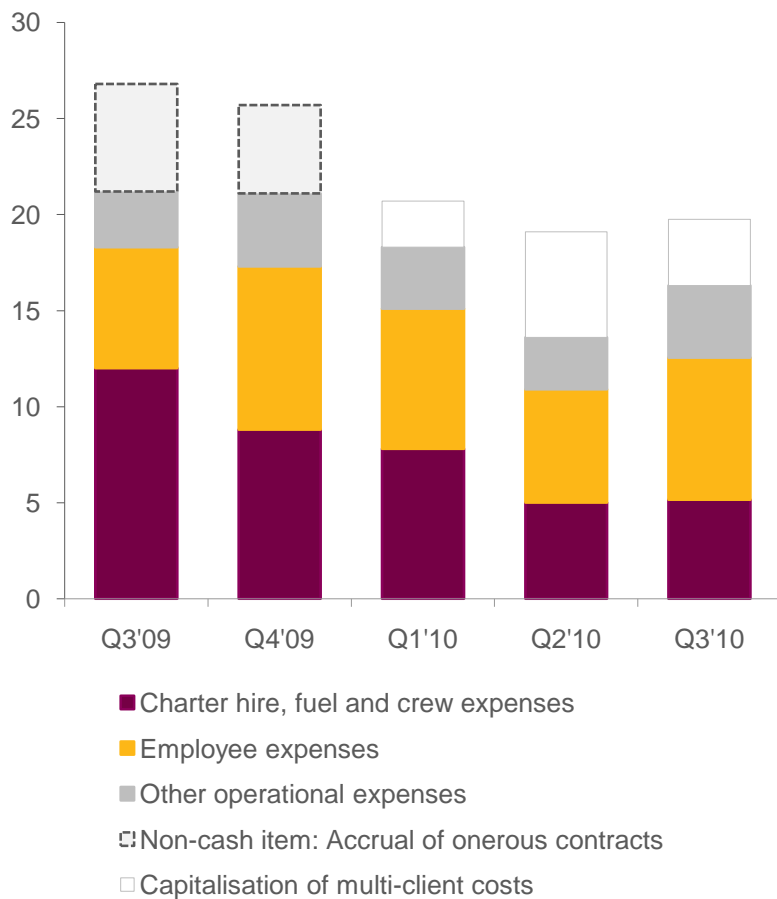
- Multiple contract awards by several majors and NOCs
- Second successful multi-client Barents Sea campaign

Fourth consecutive quarter of revenue growth

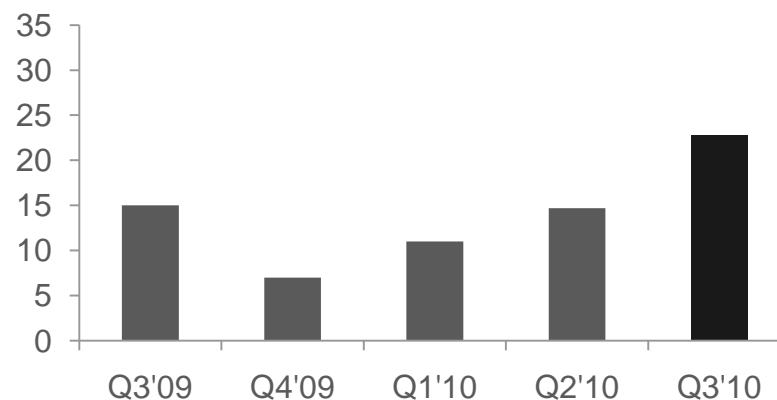


FINANCIAL HIGHLIGHTS Q3

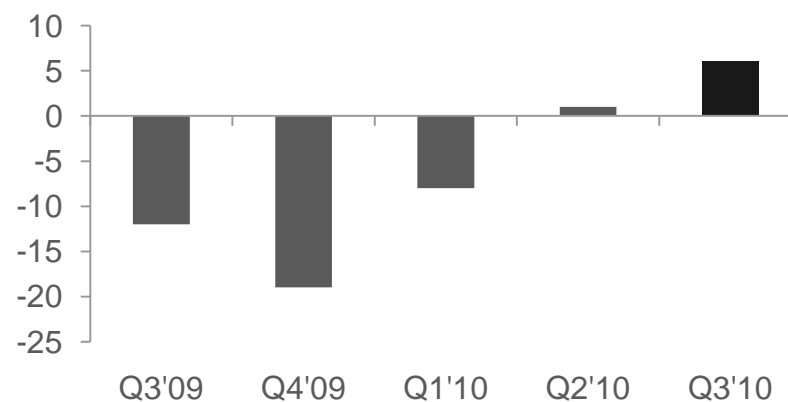
Operational costs (USD Million)



Revenues (USD Million)



EBITDA (USD Million)

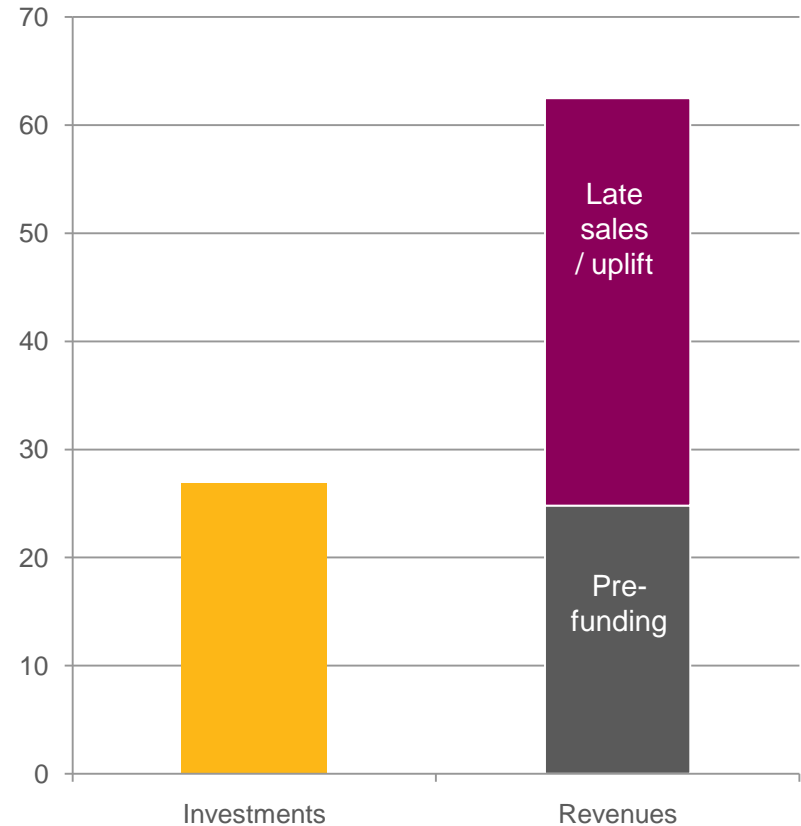


MULTI-CLIENT: A VIABLE BUSINESS MODEL

More than 20.000 km2 of 3D EM data



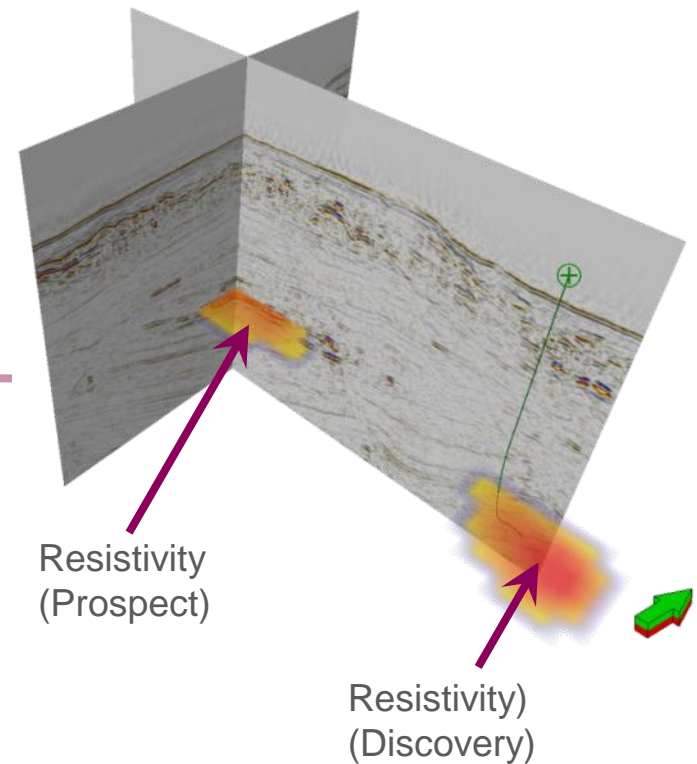
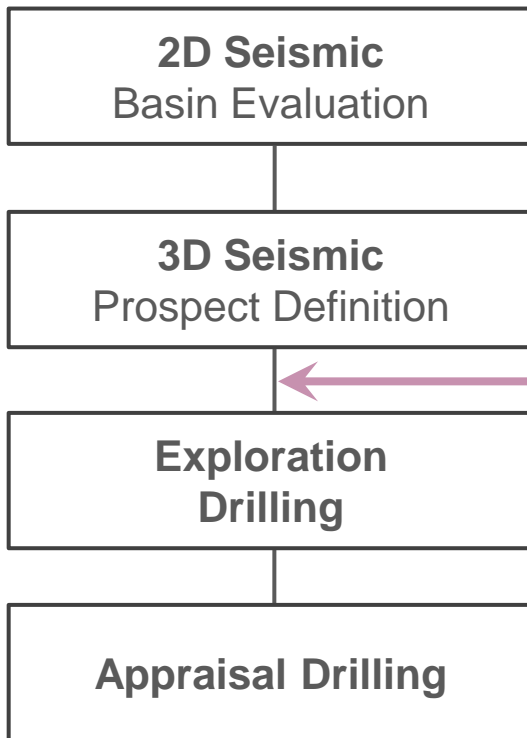
Investments and sales 2008 - 2010 (USD Million)



- Conservative investment approach
- Growing data library in highly prospective regions
- Further late-sales and uplift expected

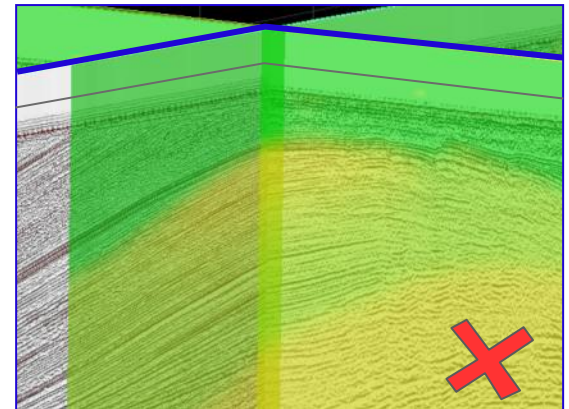
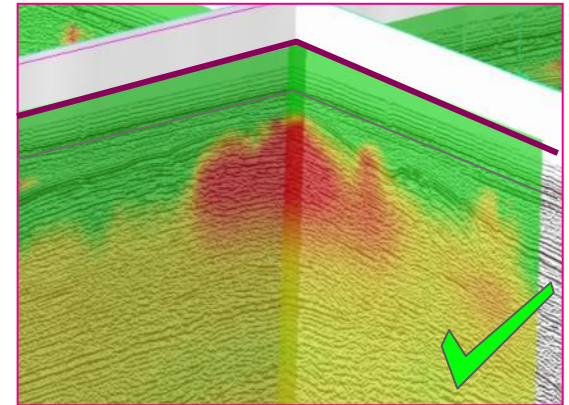
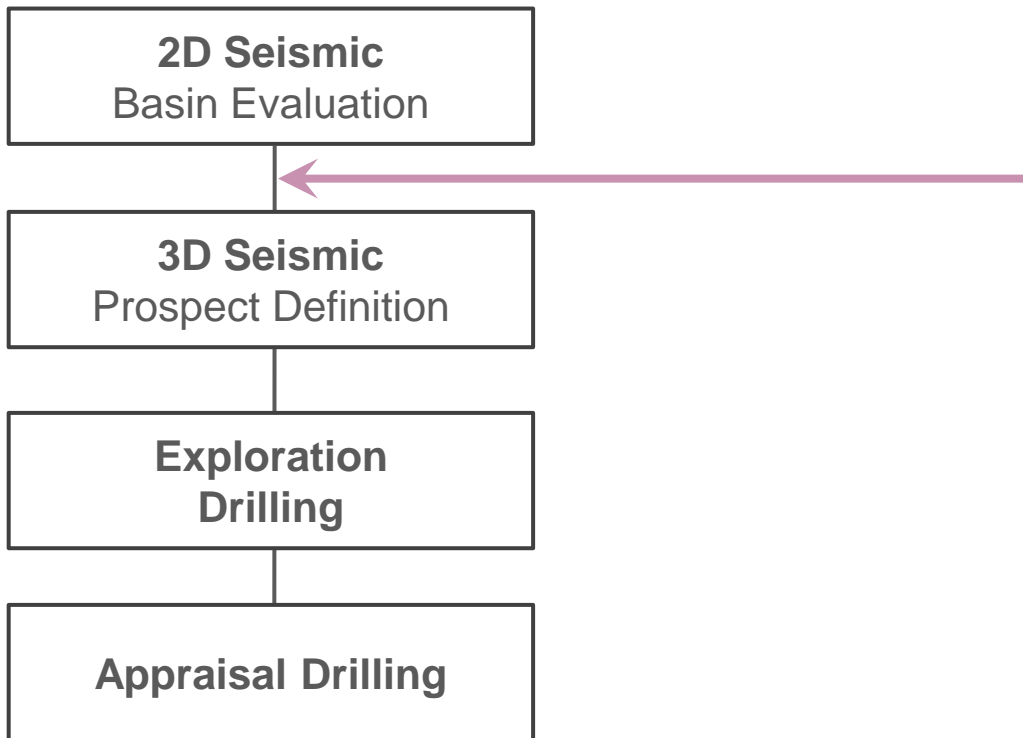
TRADITIONAL EXPLORATION WORKFLOW

3D EM used to reduce drilling risk



EM DRIVEN FRONTIER EXPLORATION WORKFLOW

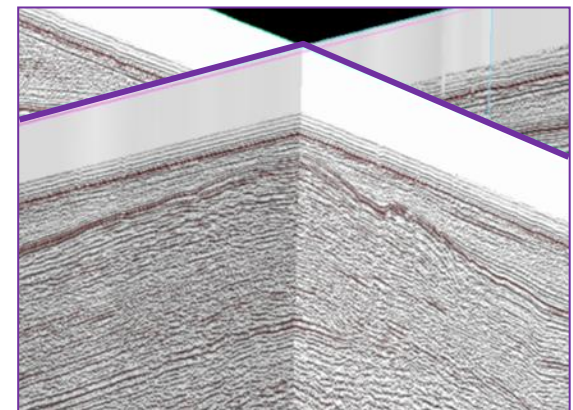
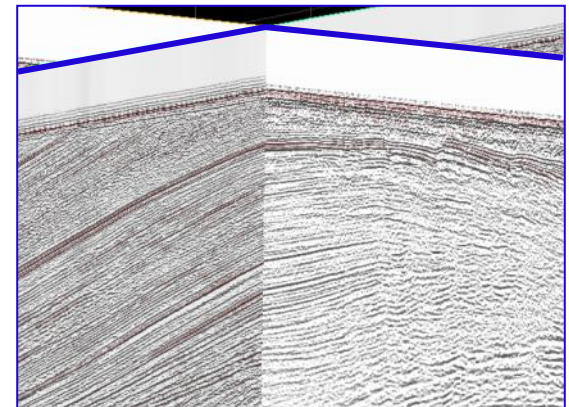
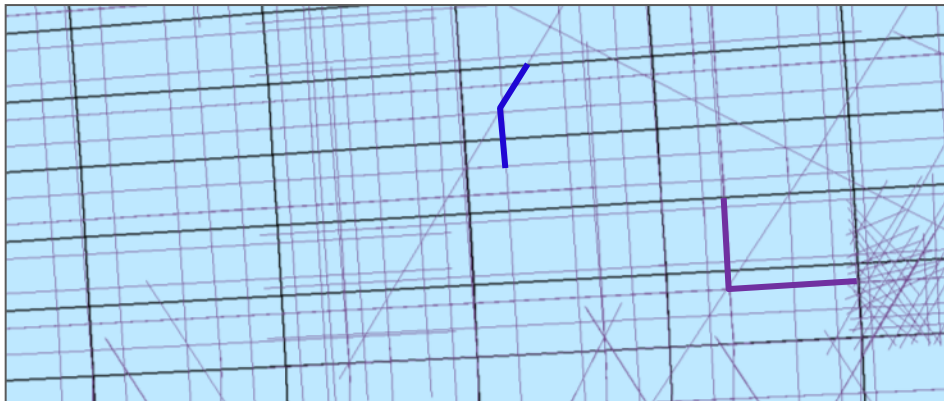
3D EM used to reduce *licensing* risk



EM DRIVEN FRONTIER EXPLORATION WORKFLOW

A case history

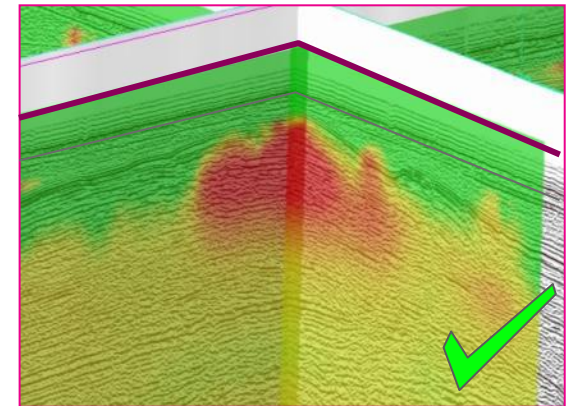
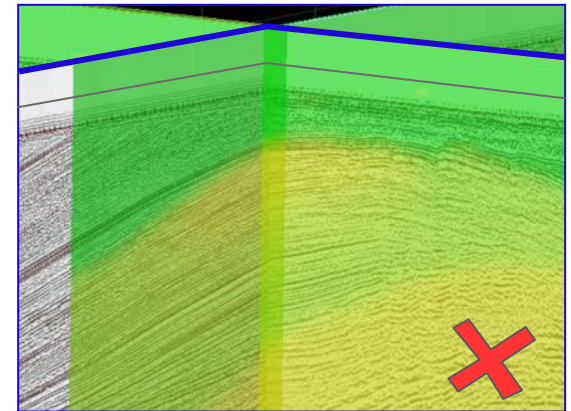
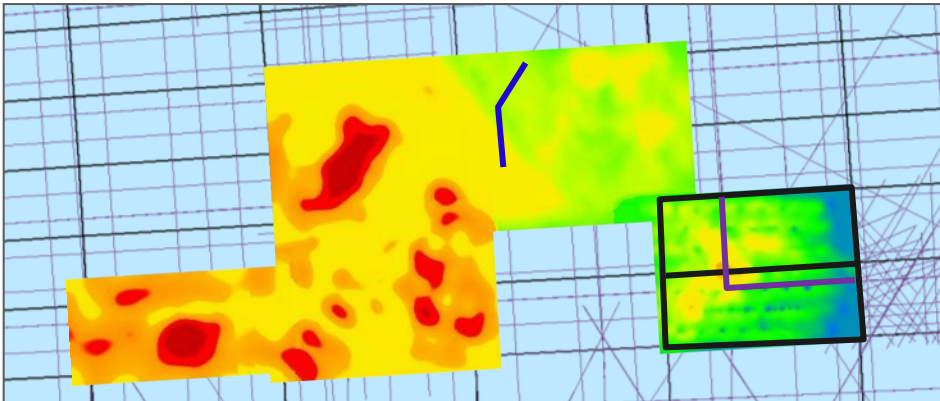
- Prospective structures identified on multi-client 2D seismic, prior to lease sale.



EM DRIVEN FRONTIER EXPLORATION WORKFLOW

A case history

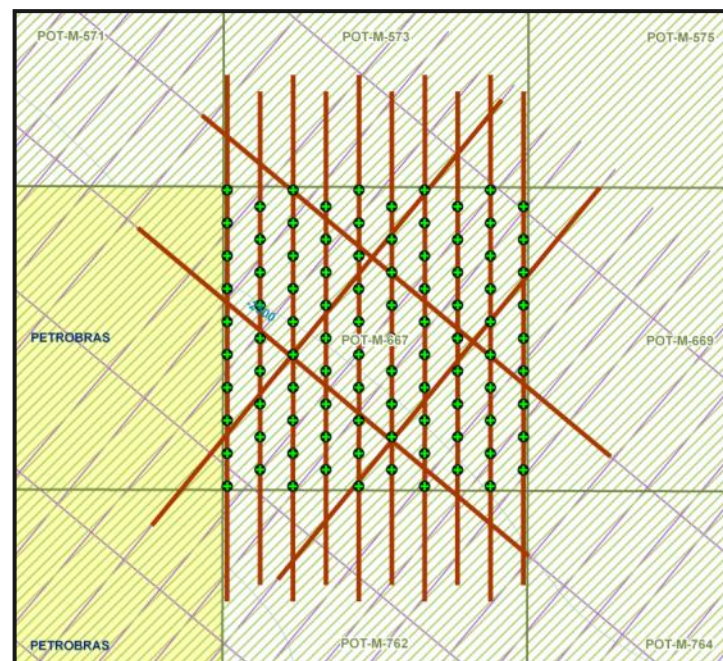
- Prospective structures identified on multi-client 2D seismic, prior to lease sale
- Regional multi-client 3D EM acquired
- High value acreage leased
- Focused 3D seismic confirms prospective structures



SURVEY DESIGN

Full azimuth

All azimuths at
All offsets for
All receivers



Better imaging
Full azimuth coverage

Cost effective
More information soon!

Easy to use
3D inverted resistivity-depth volumes in SEG-Y
Profiles along existing seismic lines

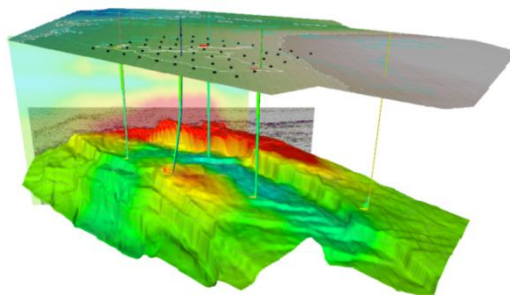
CUSTOMER ADOPTION – KEY DRIVERS

INDUSTRY LEADING TECHNOLOGY



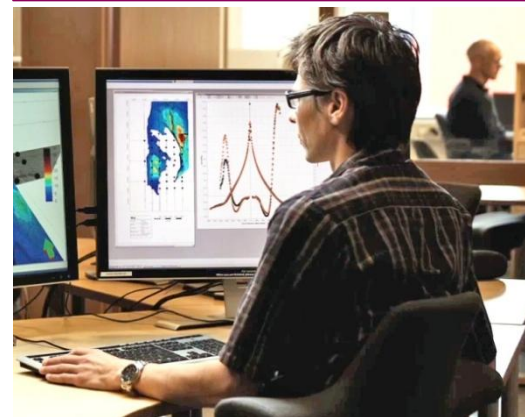
- Large areas, faster acquisition
- Proprietary equipment
- Capacity and efficiency gains

ADVANCES IN PROCESSING AND IMAGING



- Full azimuth 3D EM data
- 3D inversion
- Integration with seismic data and well logs

CUSTOMER EXPERTISE AND EXPERIENCE

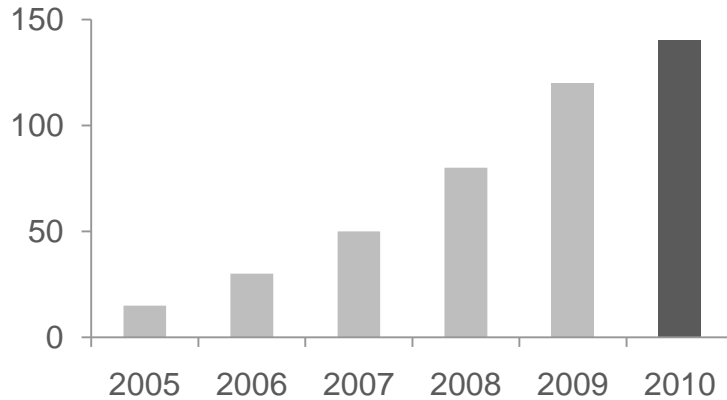


- Customer training
- Close interaction and follow-up
- Growing recognition of value proposition

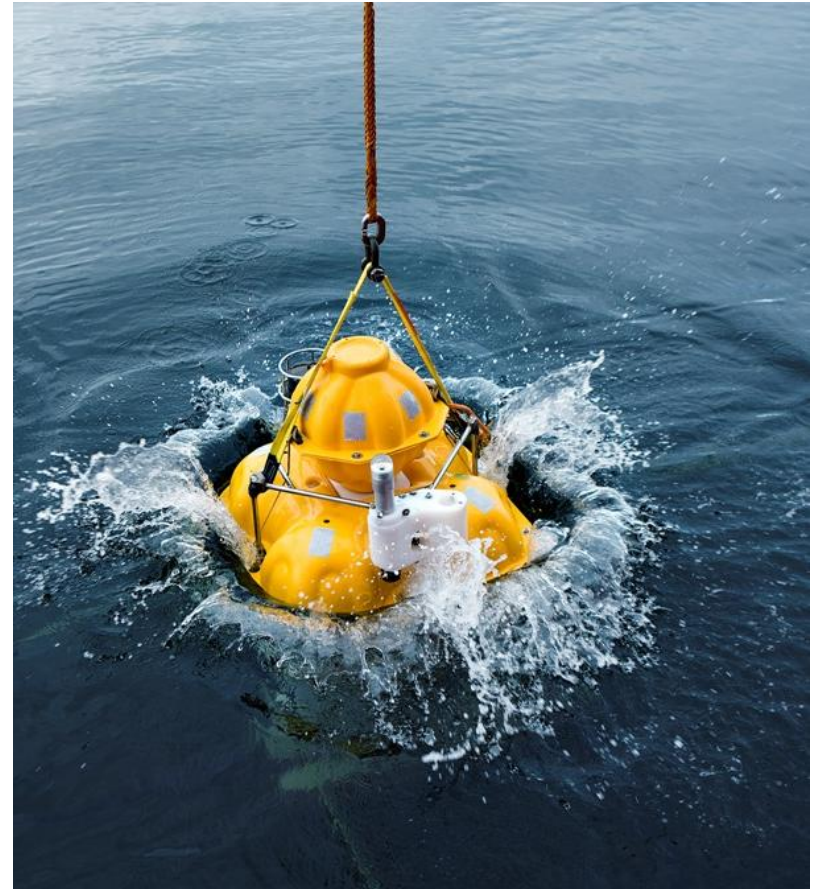
CUSTOMER ADOPTION

CAPACITY AND EFFICIENCY GAINS

Number of receivers per vessel

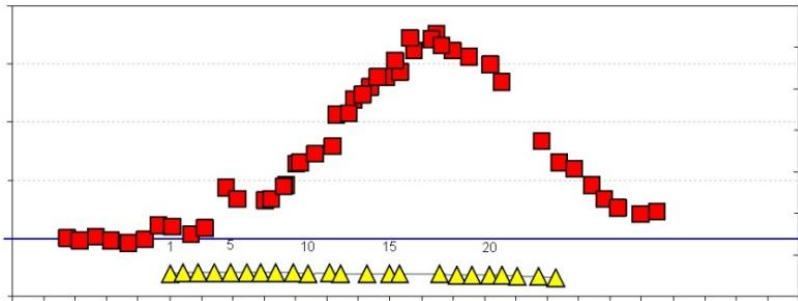


- Increased efficiency
- High quality data
- Large multi-client exploration surveys

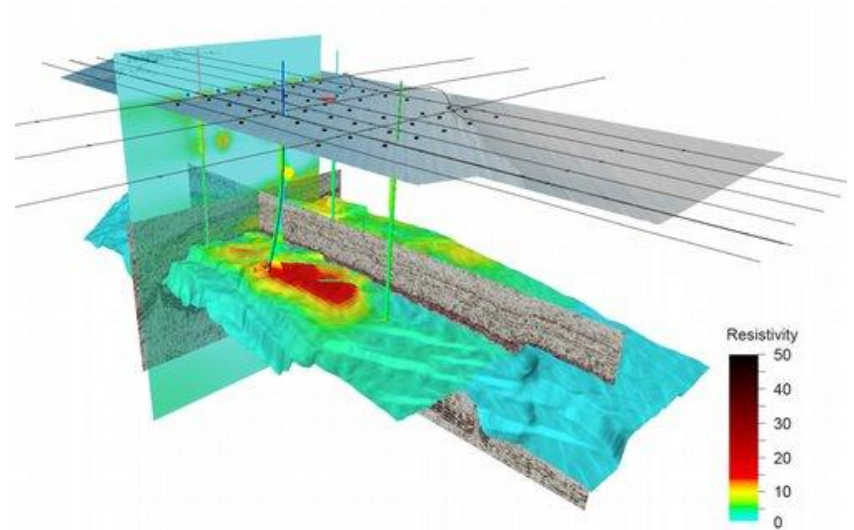


ADVANCES IN PROCESSING AND IMAGING

2002



Today



THE BENEFITS OF 3D EM

Provides superior data quality from wide azimuth acquisition geometry

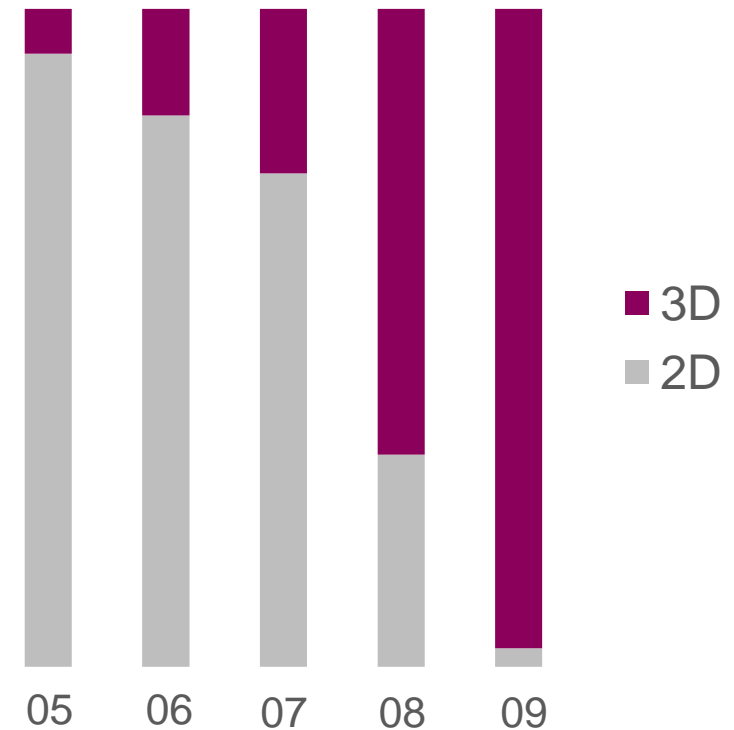
More suitable for advanced processing and inversion

Improved resolution - spatially and in depth

Allows full integration with other subsurface data (e.g. seismic)

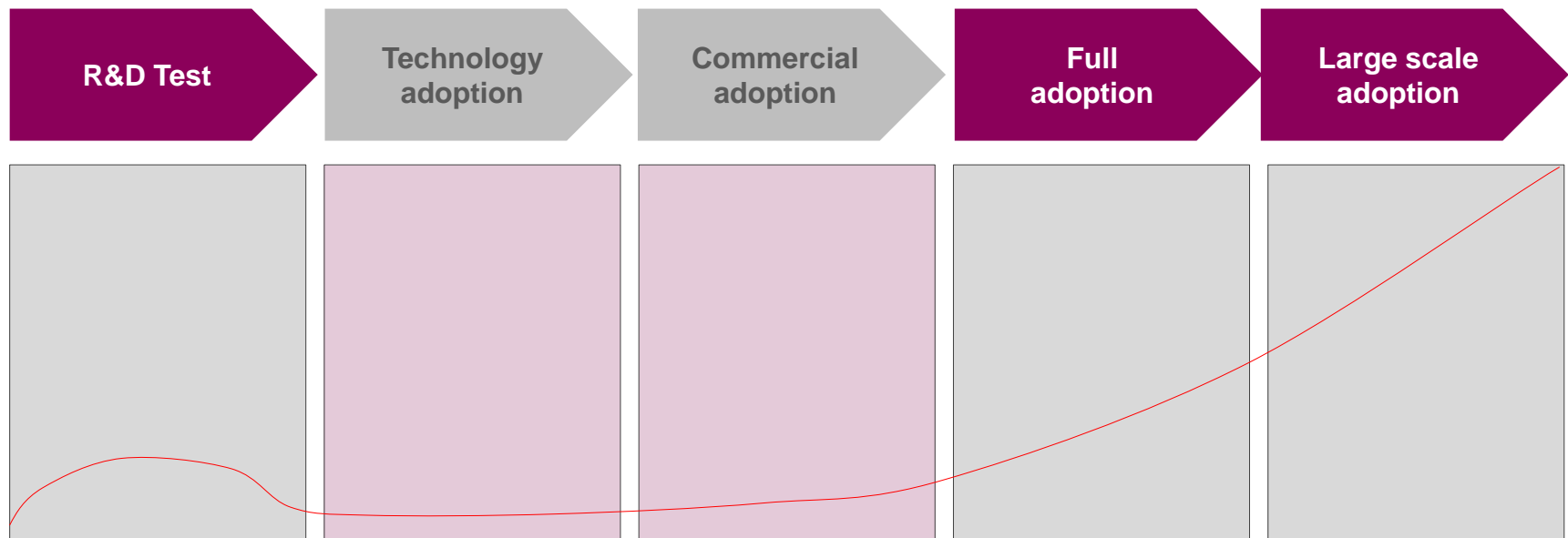
Enhances integration into the E&P workflow

Development of 3D EM (% of revenues)

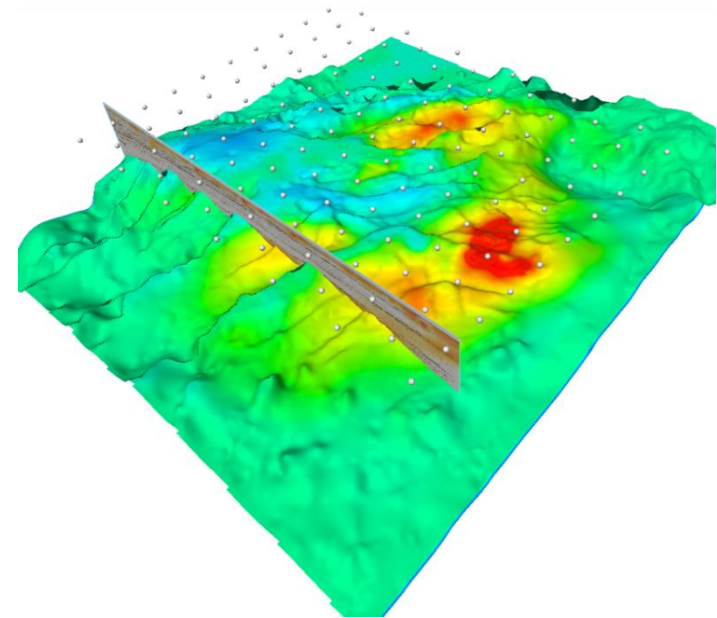
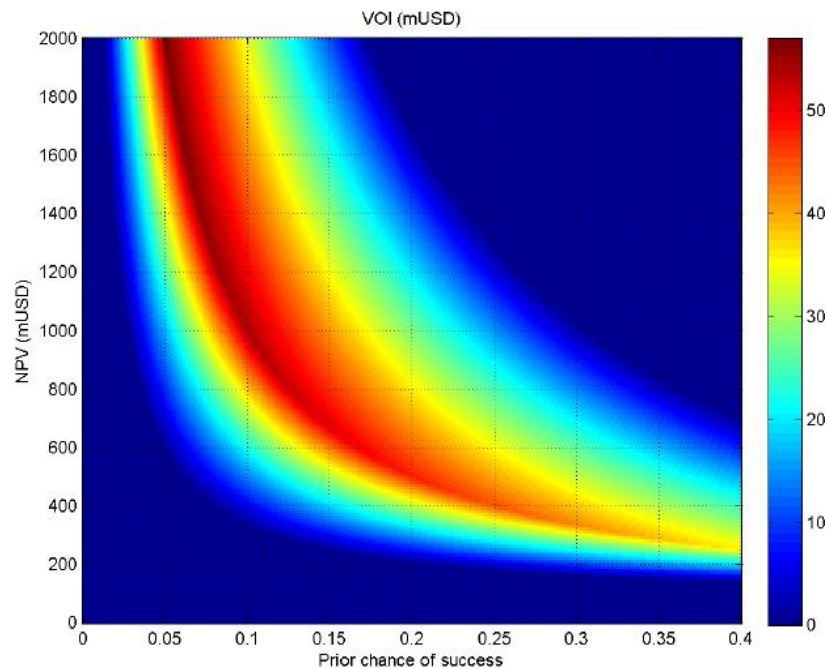


CUSTOMER EXPERTISE AND EXPERIENCE

- Extensive technical training
- Case studies (SEG 2010: 6 EMGS technical papers co-authored by oil company customers)
- Industry-funded product and technology development
- Joint industry projects (EDDA)
- Growing recognition of value proposition



EM VALUE PROPOSITION

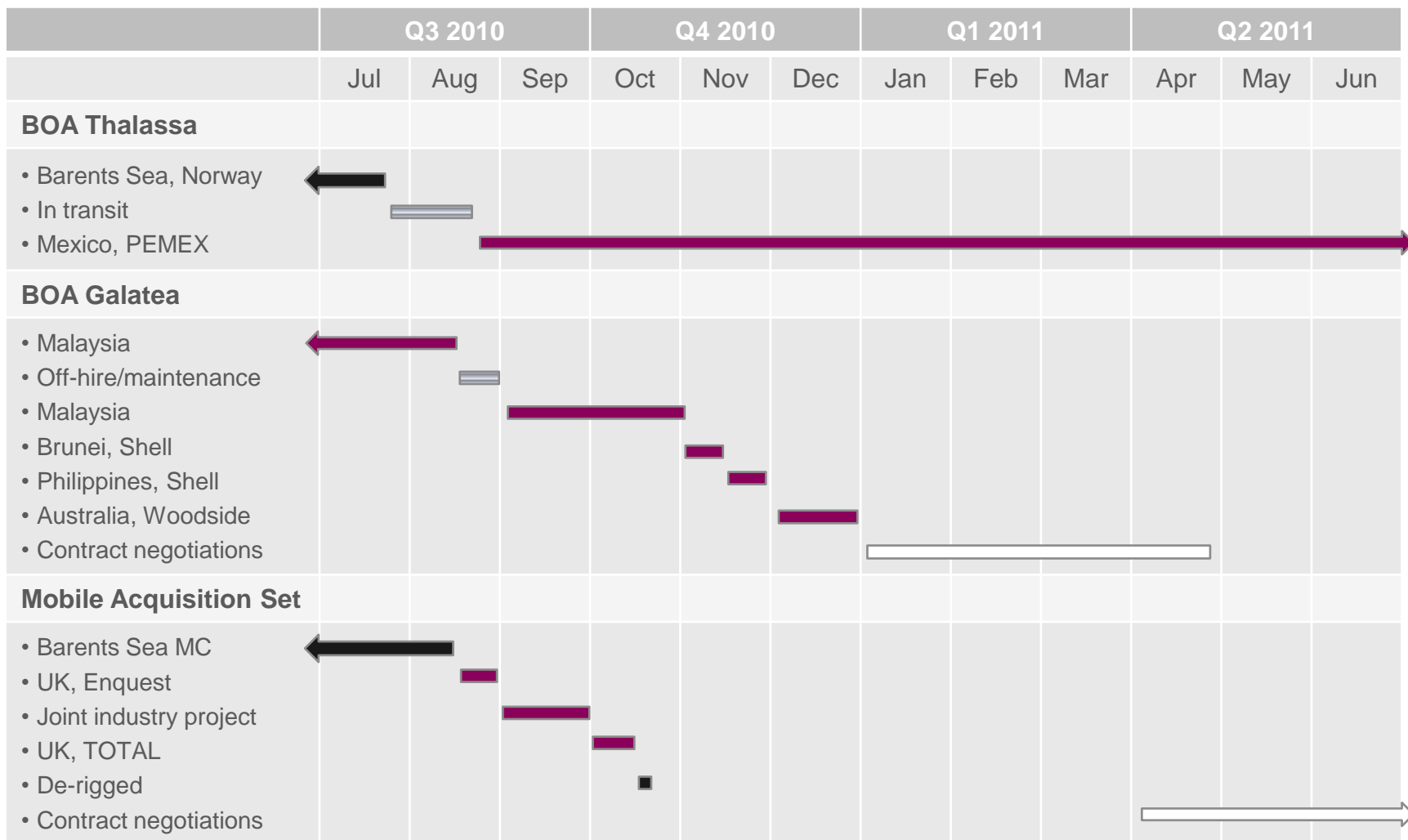


".... conservative estimates of the economical value of CSEM data can be more than 10 times above the typical costs for a CSEM survey and analysis."

Buland et al, (Statoil), EAGE 2010

Commercial success rate for clear EM anomalies:	50 – 70%
Commercial success rate for weak/no EM anomalies:	5 – 14%

VESSEL ACTIVITY & BACKLOG



Contract negotiations:  Multi-client:  Contract: 

STATUS FOR EMGS

Proven 3D technology in place

Large equipment base - key investments completed

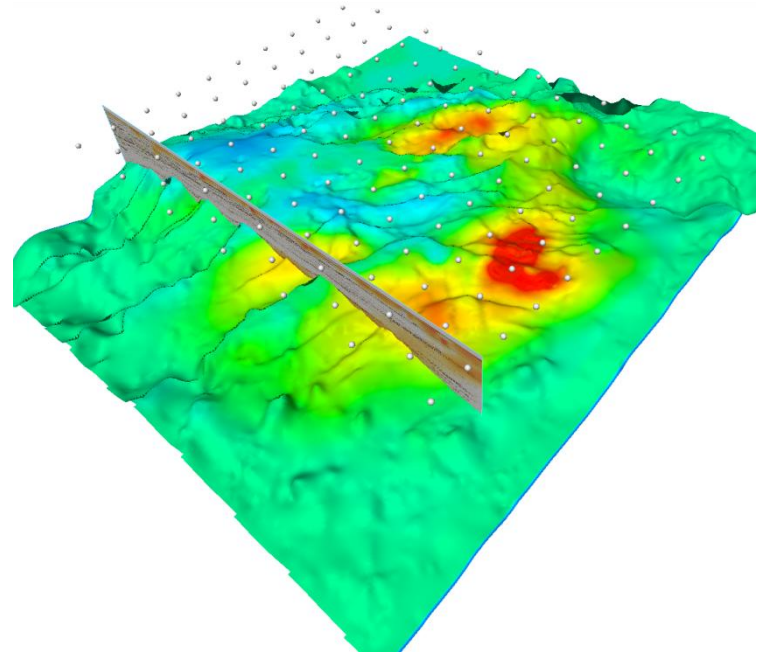
High-capacity 3D EM vessels

Mobile acquisition set provides flexibility and scalability

Backlog at all-time high

Market demand strengthening

Competitive landscape changing
- favourable to EMGS





Q & A