

DISCOVER MORE. RISK LESS.

Creating value for customers and shareholders

EMGS Capital Markets Day, 26 March 2014

Roar Bekker, CEO



EMGS VISION

To make EM an integral and fully adopted part of the E&P workflow

Our vision is to make EM as fully adopted as seismic – to be used as a complementary technology.

By providing EM data integrated with other subsurface measurements we enable our customers to increase success in their exploration and development programs.

UNIQUELY POSITIONED FOR GROWTH



TRIGGERS FOR GROWTH



Award of new long term contracts



New customers



New NOC commitments



Increased revenue from repeat customers



Sales process from push to pull



Customer endorsements



Proven drilling success stories



Support of EM from regulatory bodies

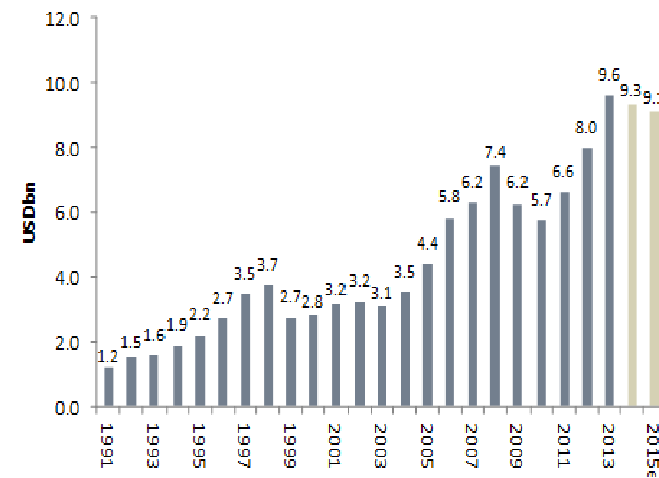


Increased number of unsolicited offers

WHAT CAN WE LEARN FROM THE SEISMIC INDUSTRY?

- Full adoption of 3D seismic: 10-15 years
 - Early adoption: drill/drop only
 - Lack of interpretation tools slowed adoption
- 3D exploration seismic main driver behind market growth the last decade due to:
 - Low unit cost
 - MC business model (40-50% of market)
- Rapid development of multi/wide azimuth 3D due to inherent imaging constraints from the towed streamer method

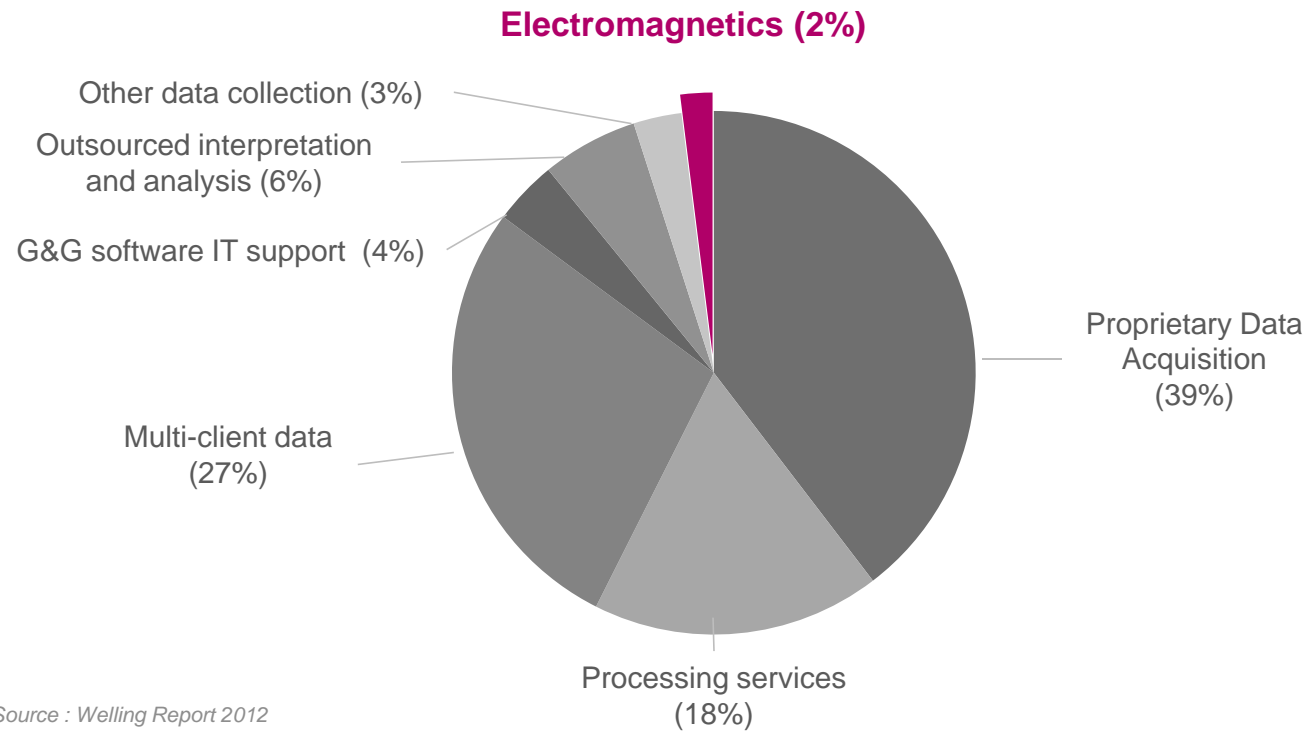
Offshore seismic market revenues



Source: ABG Sundal Collier

PLENTY ROOM FOR GROWTH IN A USD10 BILLION MARKET

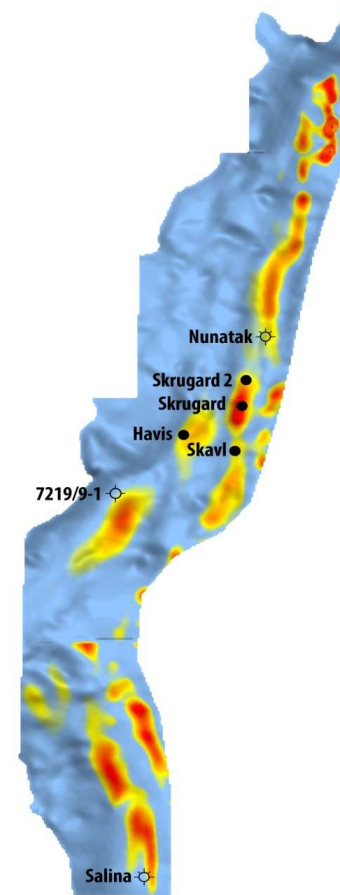
Marine geophysical expenditure breakdown



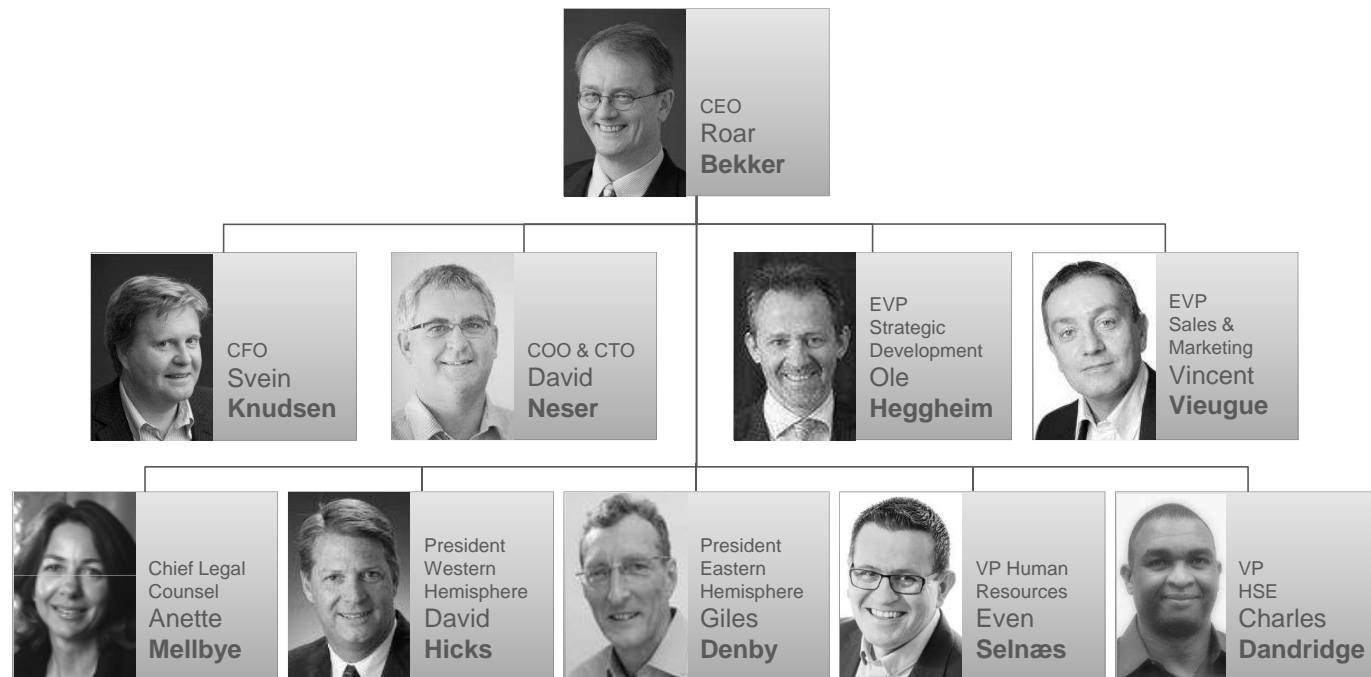
Source : Welling Report 2012

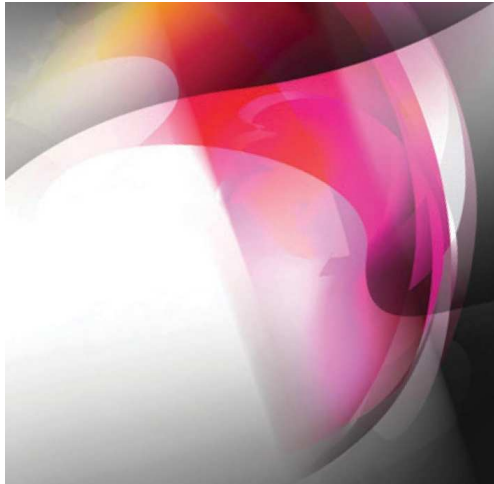
AGENDA

09:00 – 09:20	Introduction <i>Roar Bekker, CEO</i>
09:20 – 09:40	Platform for growth <i>Svein Knudsen, CFO</i>
09:40 – 10:40	Technology application <i>David Nesar, COO and CTO</i>
10:40 – 11:00	Break with refreshments
11:00 – 11:20	Customer approach <i>Vincent Vieugue, EVP Sales and Marketing</i>
11:20 – 11:40	Value in multi-client <i>David Hicks, President Western Hemisphere</i>
11:40 – 12:00	Summary and Q&A <i>Roar Bekker, CEO</i>
12:00 –	Lunch



EMGS MANAGEMENT TEAM

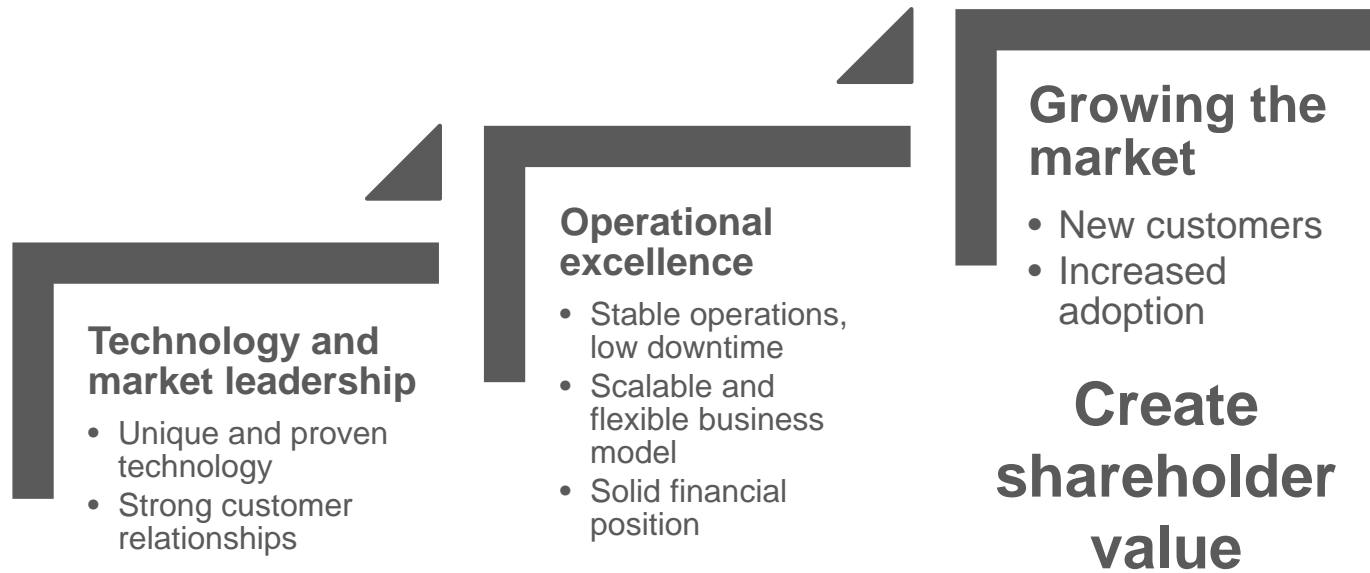




PLATFORM FOR GROWTH

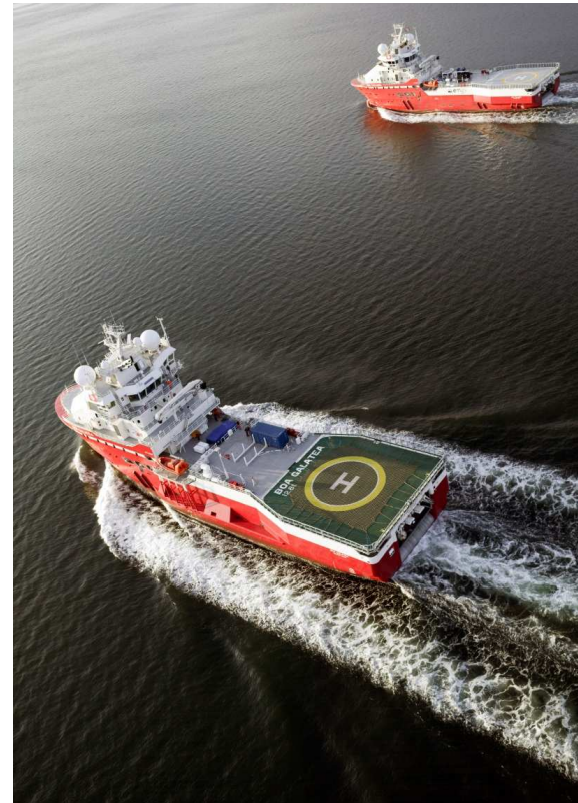
Svein Knudsen, CFO

UNIQUELY POSITIONED FOR GROWTH

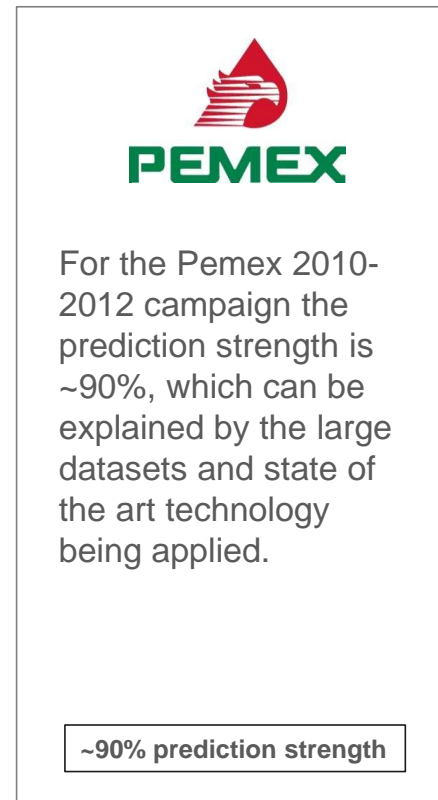
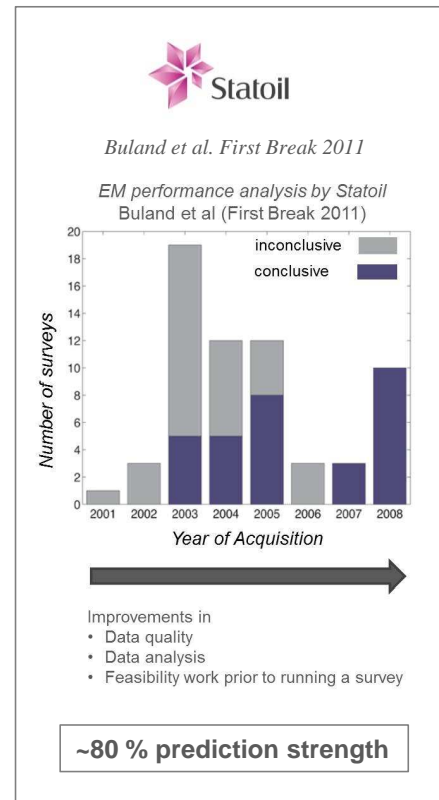
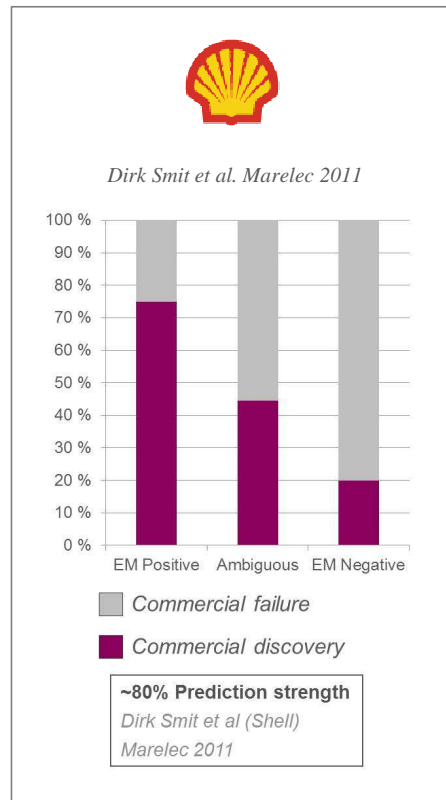


UNIQUE AND PROVEN TECHNOLOGY

- Technology considerably developed
 - 2D to 3D – major step
 - Data quality improved - clearer images
 - Products developed to address specific challenges
 - Proof of Concepts studies – testing technology on new applications/ broaden the scope
- Track-record increase awareness
 - EM measurements match well results
 - Barents Sea: 21 of 21
 - Brazil: 7 of 7
 - Mexico: 5 of 5

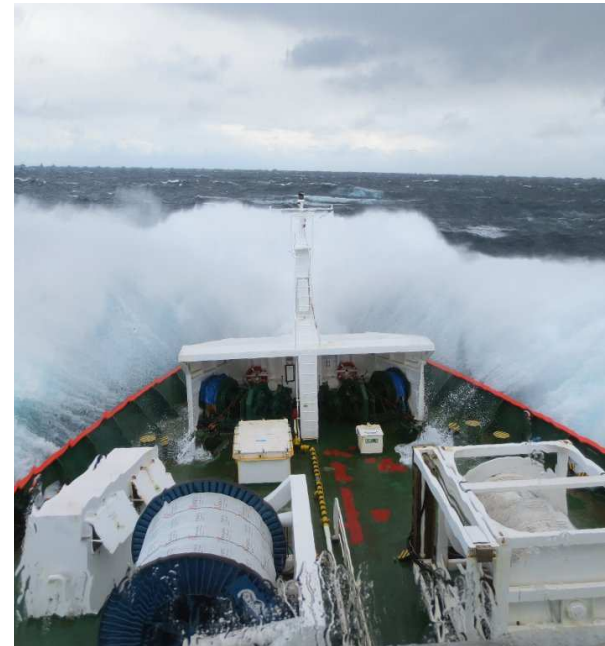


CUSTOMERS' VIEWS



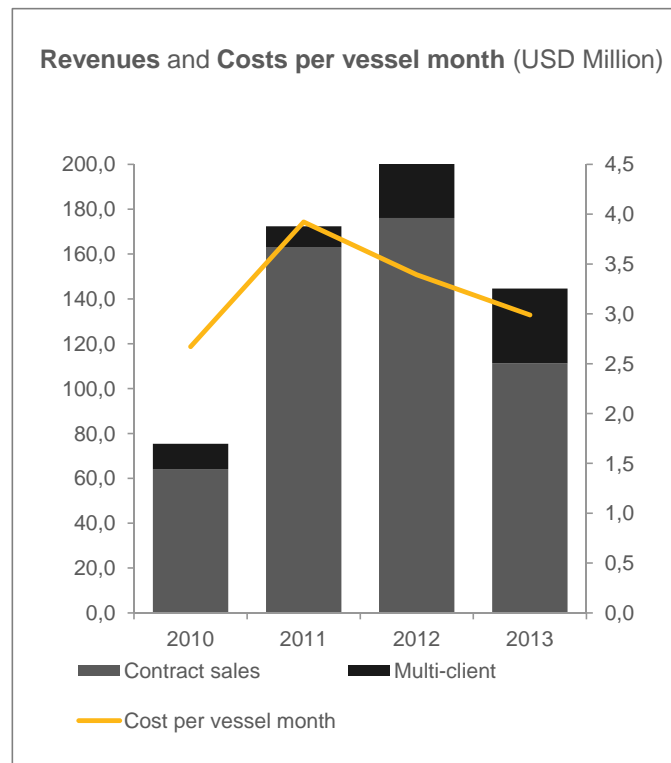
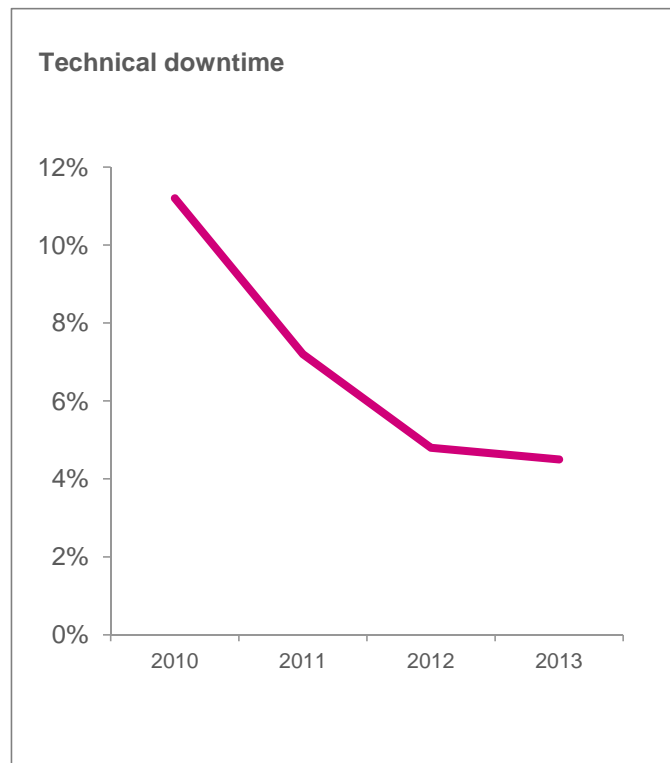
UNPARALLELED MARKET LEADERSHIP

- Market leadership maintained
- Technology developed over a decade
- Strong patents
- Close customer relationships
- Operational experience increase every day
 - More than 700 surveys
 - In most basins world-wide
 - Different water depths

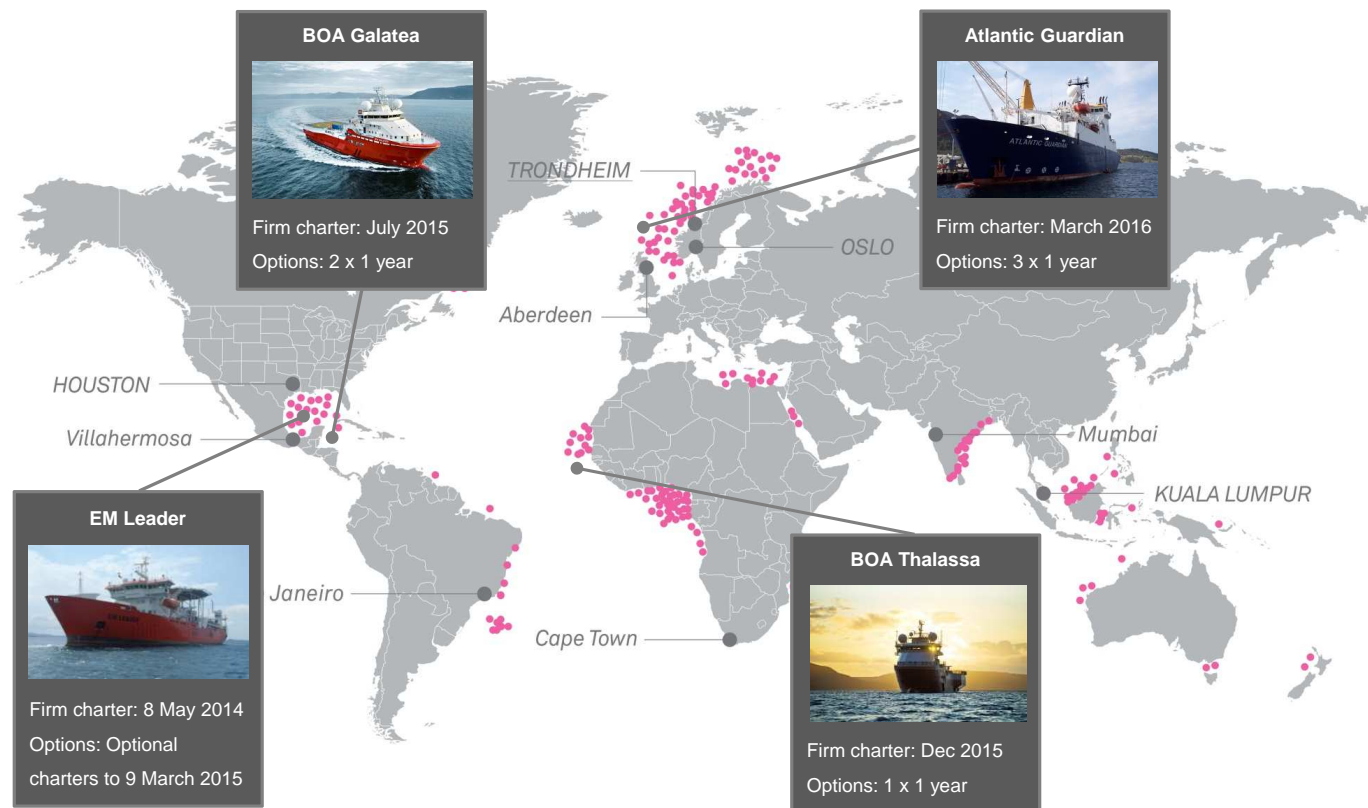


STABLE OPERATIONS

- OPEX & TECHNICAL DOWNTIME LOW AND PREDICTABLE



FLEXIBLE CHARTER AGREEMENTS



ASSET LIGHT - EQUIPMENT

Current equipment sets

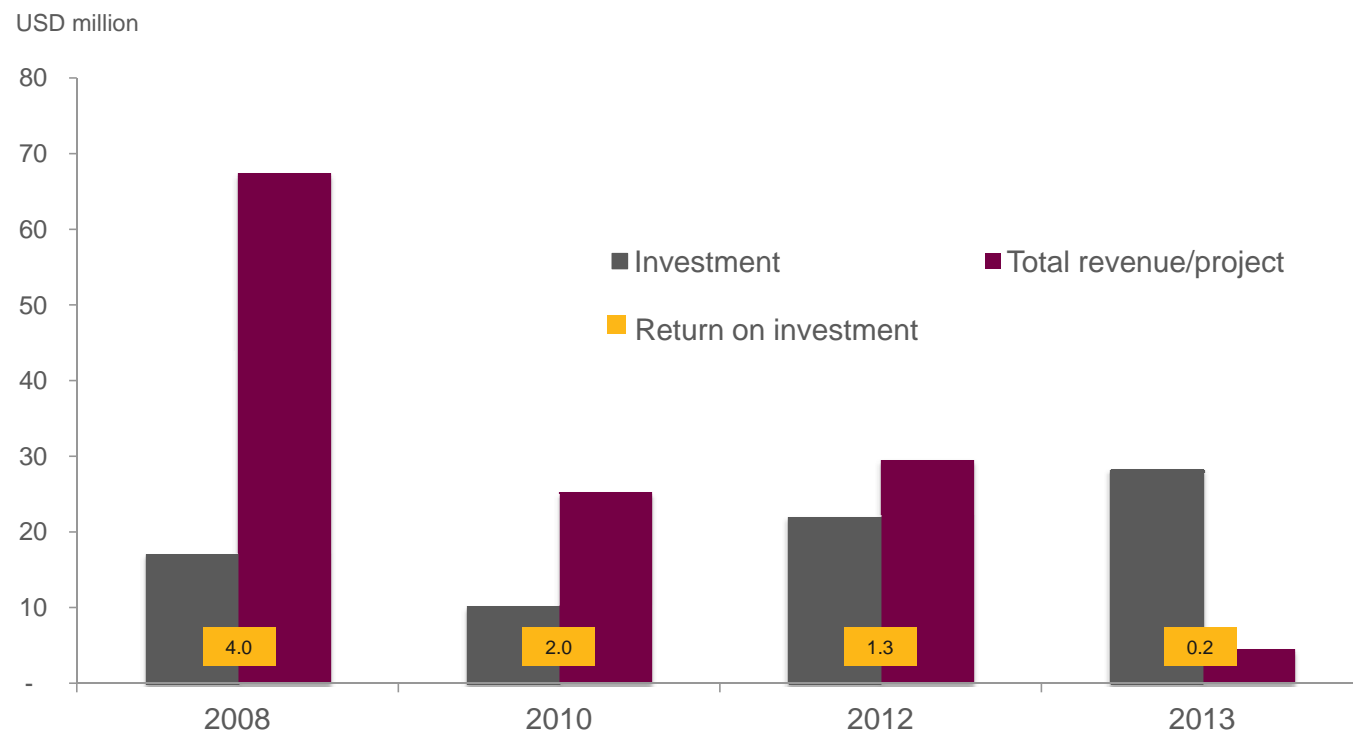
- 4 sets in operation
- Fifth set – readily available
- Sixth set – JIP with Shell & Statoil

Full equipment set includes

- 150 receivers
- Dual source and handling system
- Processing capabilities
- Lead time of ~9 months
- CAPEX of USD ~25 million

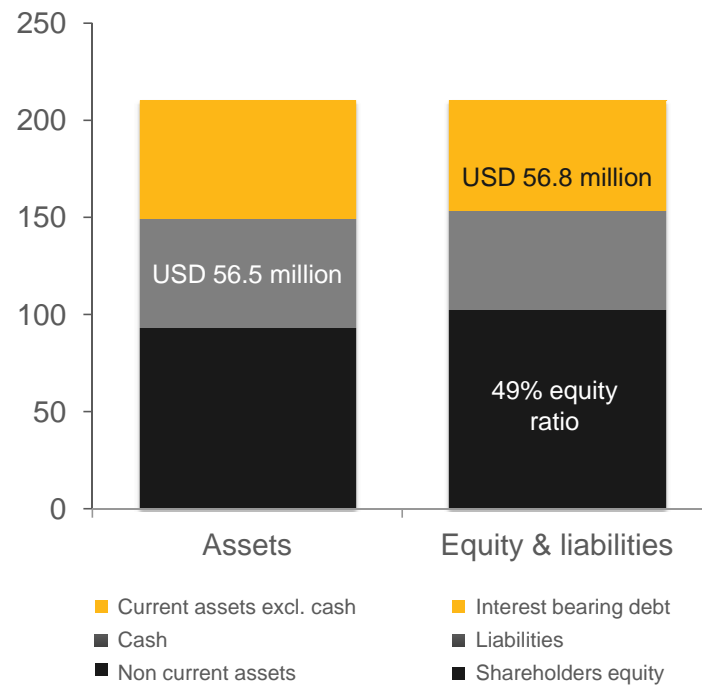


MULTI-CLIENT – ESTABLISHED PART OF BUSINESS MODEL
- POSITIVE RETURN ON INVESTMENTS



SOLID FINANCIAL POSITION

Balance sheet as at 31.12.13 (USD million)



Year-end 2013

- Cash at USD 56.5 million
- Interest bearing debt at USD 56.8 million
 - NOK 350 million bond loan due June 2016
- Multi-client library of USD 28.1 million

2014 guiding

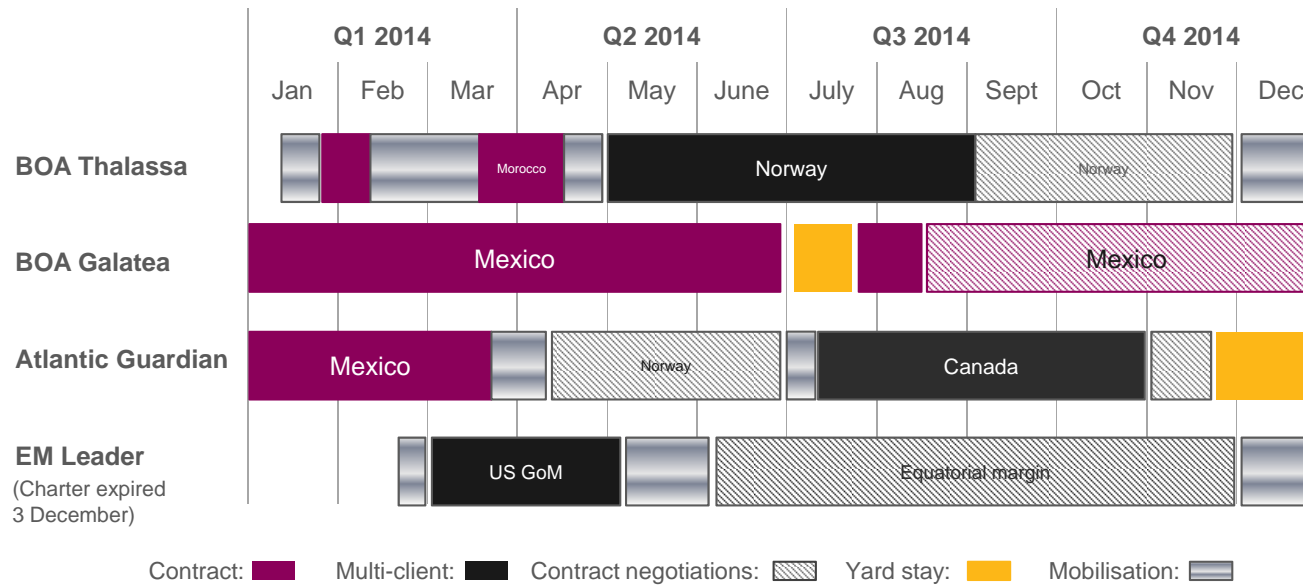
- CAPEX for 2014 expected <USD 15 million

STATUS ON 2014 REVENUE GUIDING

Revenue guiding of more than USD 200 million

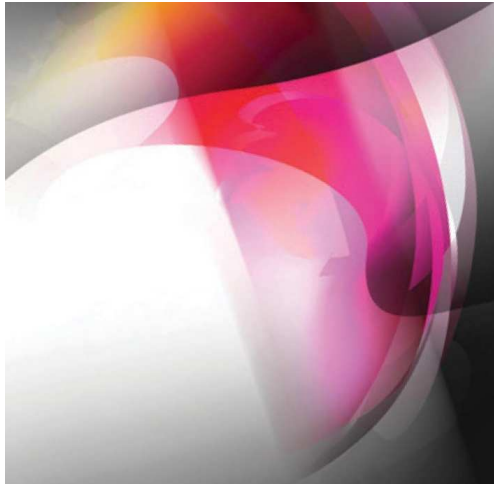
- Mix of contract and multi-client projects
- Backlog/ secured 2014 revenues per 25 March of USD 110 million

Expected vessel schedule as of 25 March 2014



UNIQUELY POSITIONED FOR GROWTH





TECHNOLOGY APPLICATIONS

David Naser, COO/CTO



OUTLINE

Customer adoption and usage

- Customer revenue distribution
- Sensitivity analysis and survey design
- Electromagnetics in the E&P workflow
- Electromagnetics & seismic integration
 - Probability of success (drilling)
 - Volumetrics
- Adoption bottlenecks & solutions



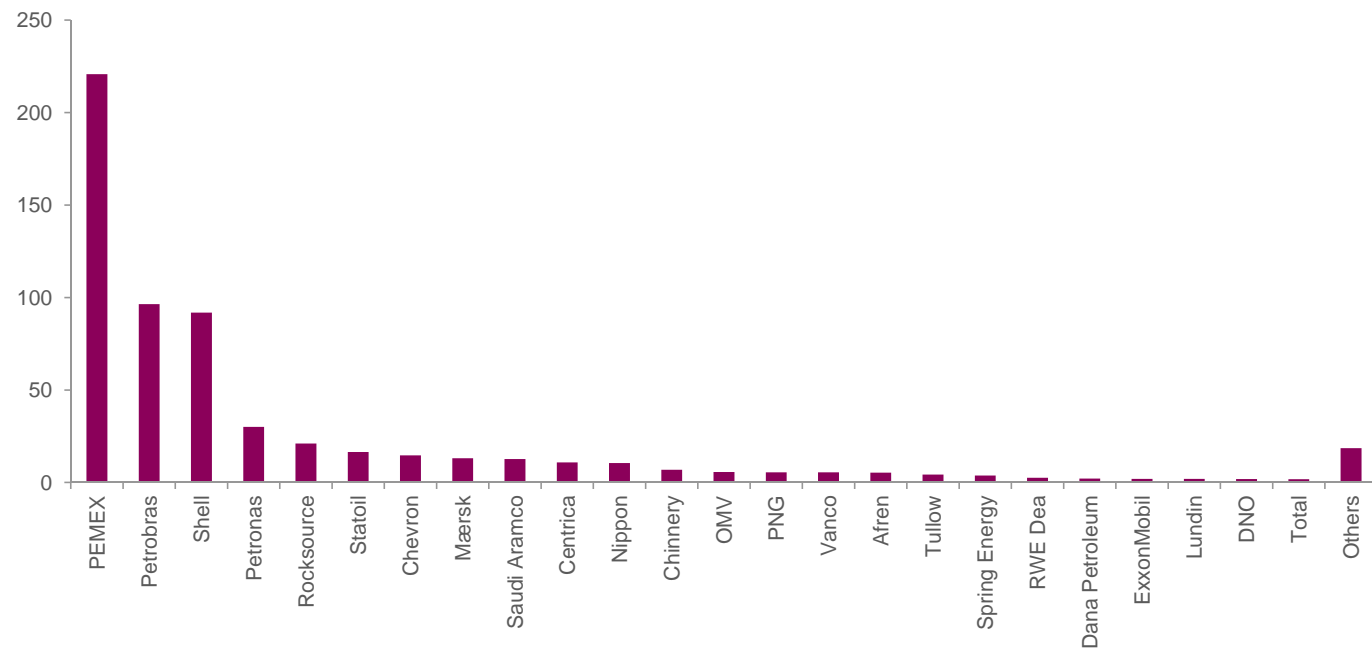
UNIQUELY POSITIONED FOR GROWTH



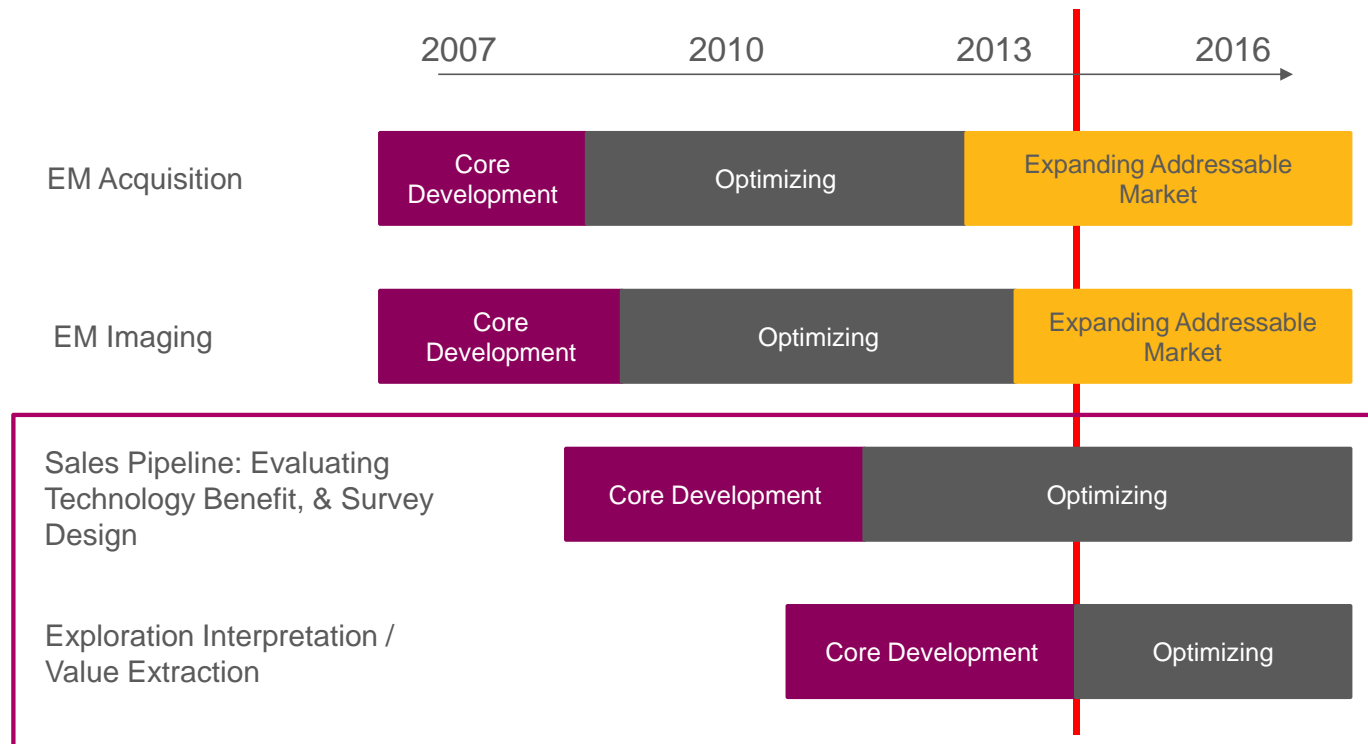
GROWING THE MARKET BY CHANGING OUR APPROACH TO CUSTOMERS

USD million

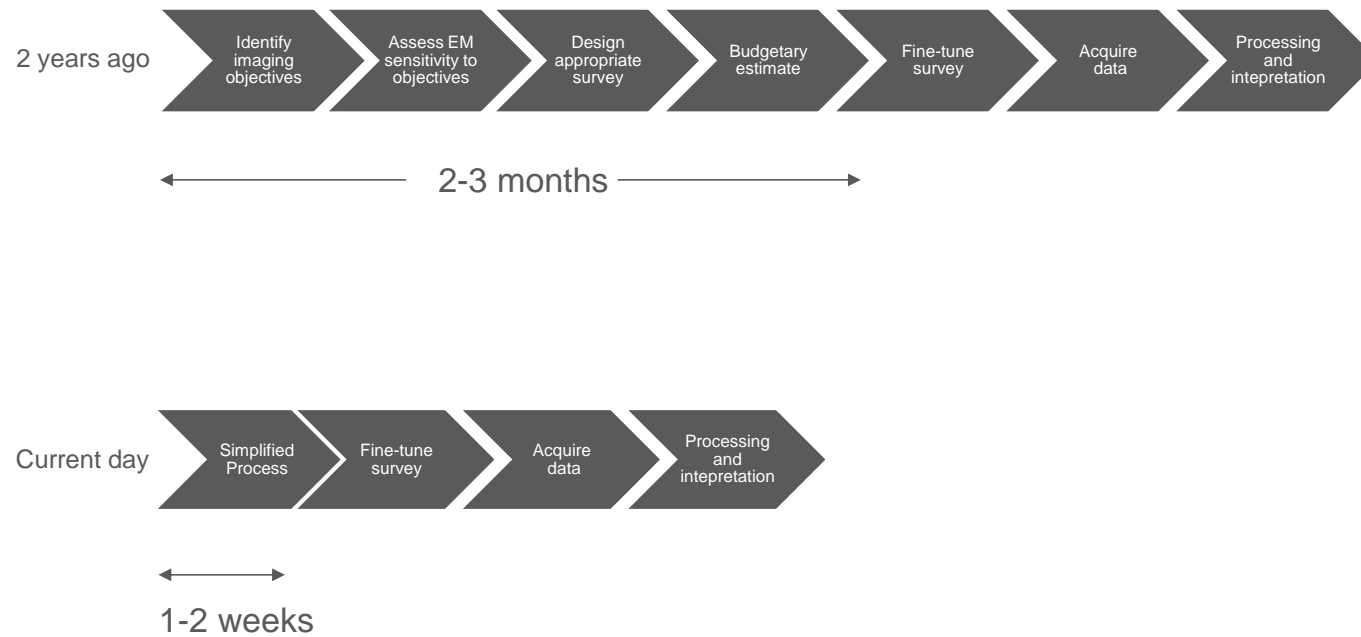
Accumulated revenue 2010-2013



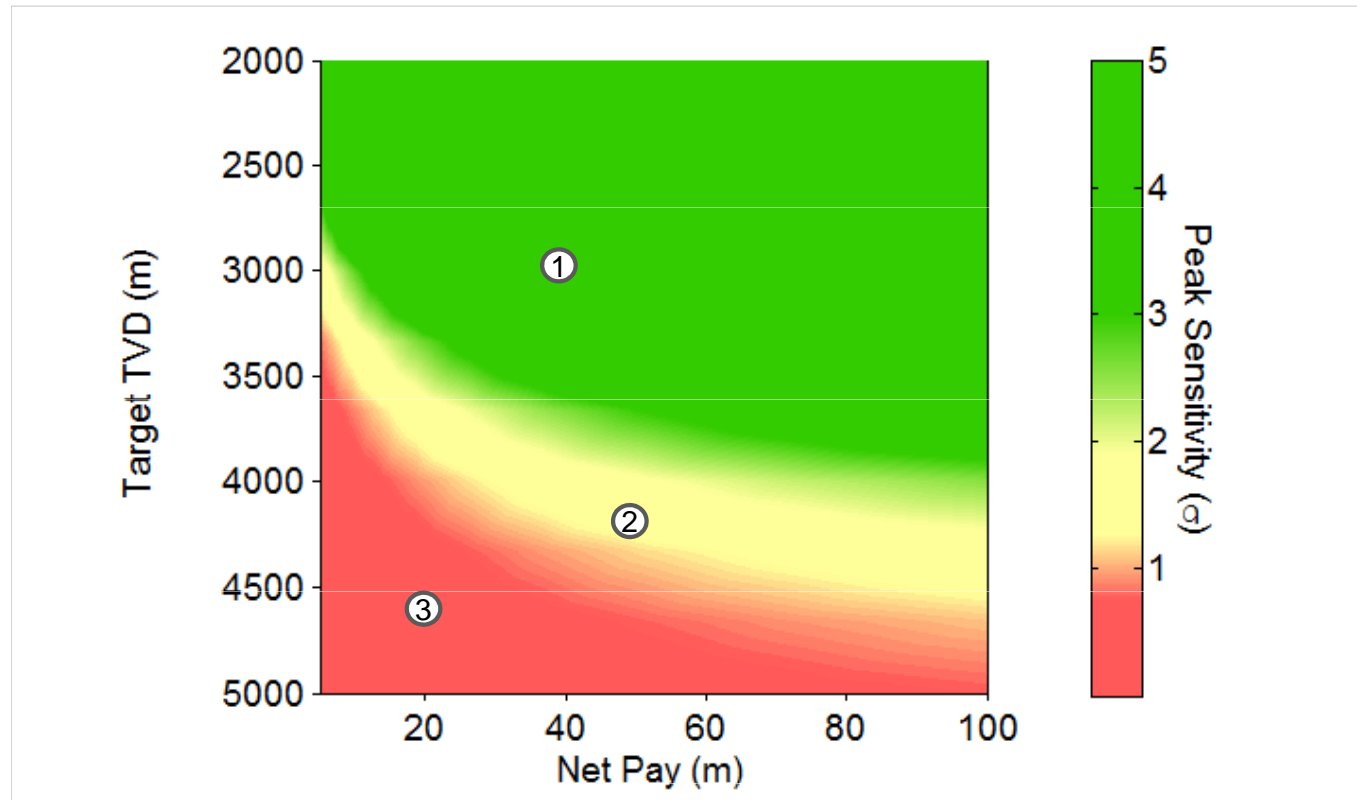
EM: CAPABILITY MATURITY



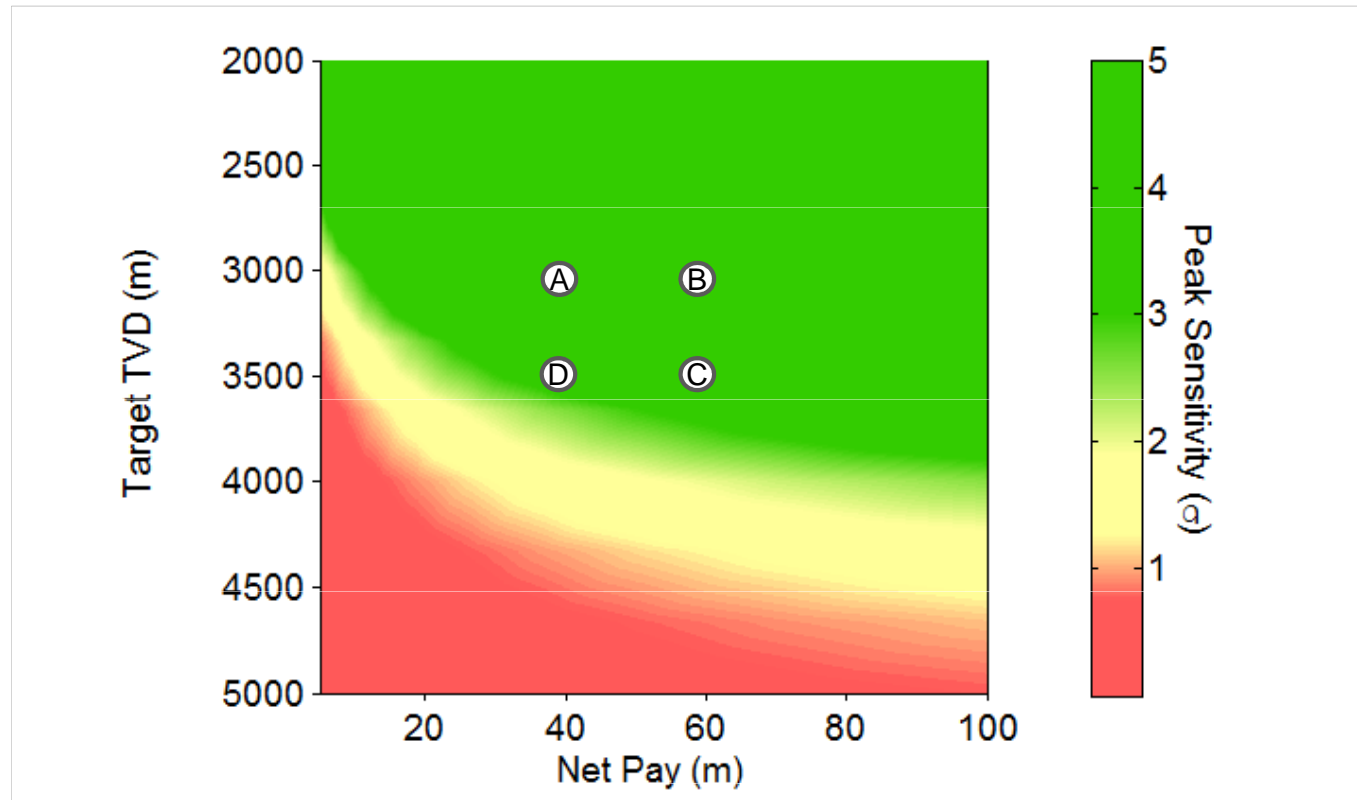
SALES PIPELINE IMPROVED – EASIER AND SHORTER



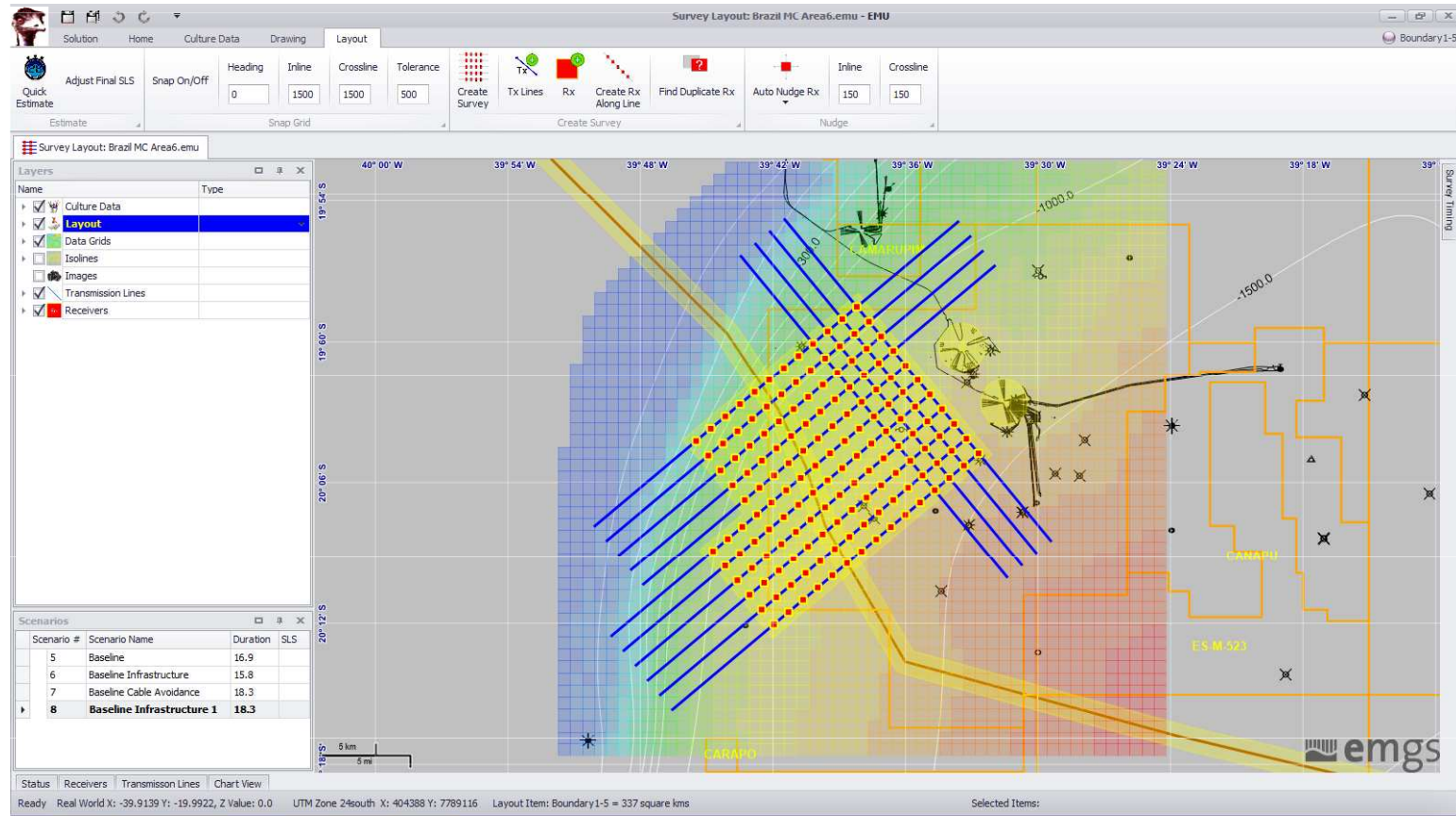
CONTROLLED SOURCE EM SENSITIVITY PLOTS



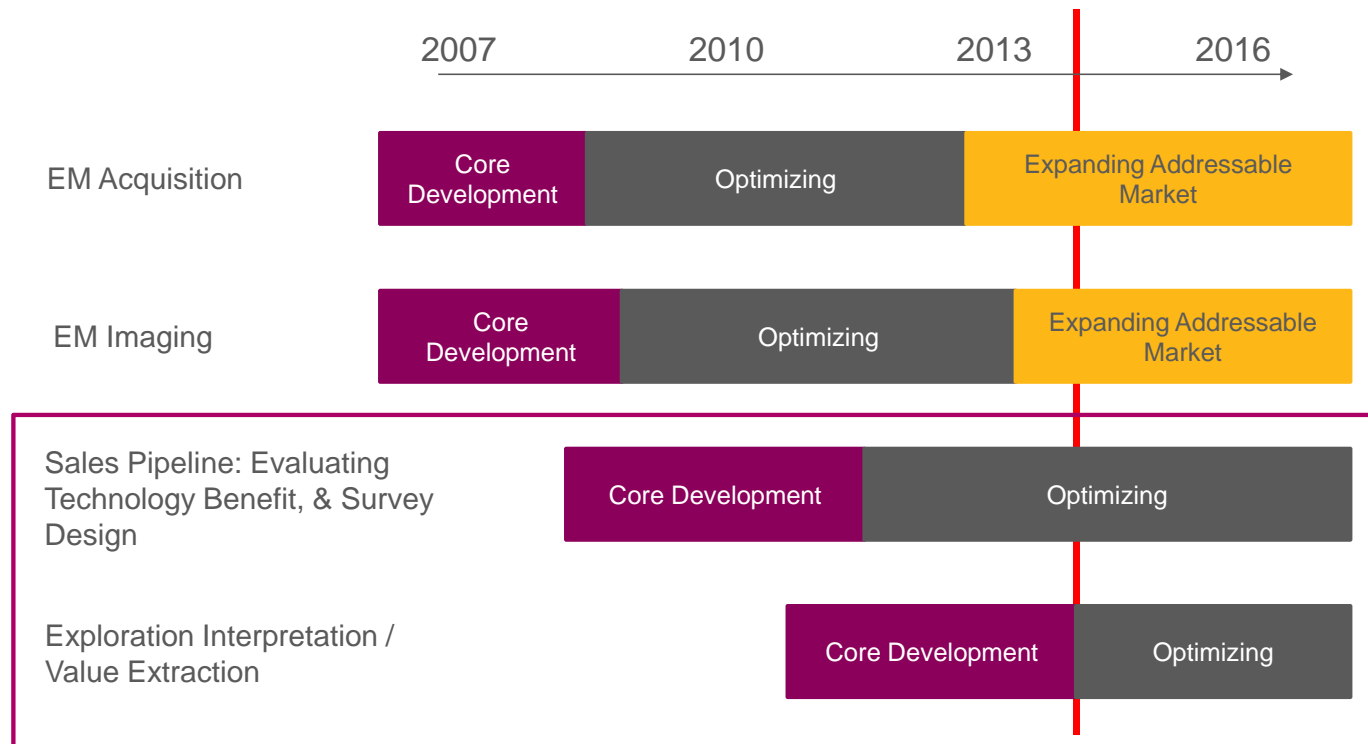
CONTROLLED SOURCE EM SENSITIVITY PLOTS



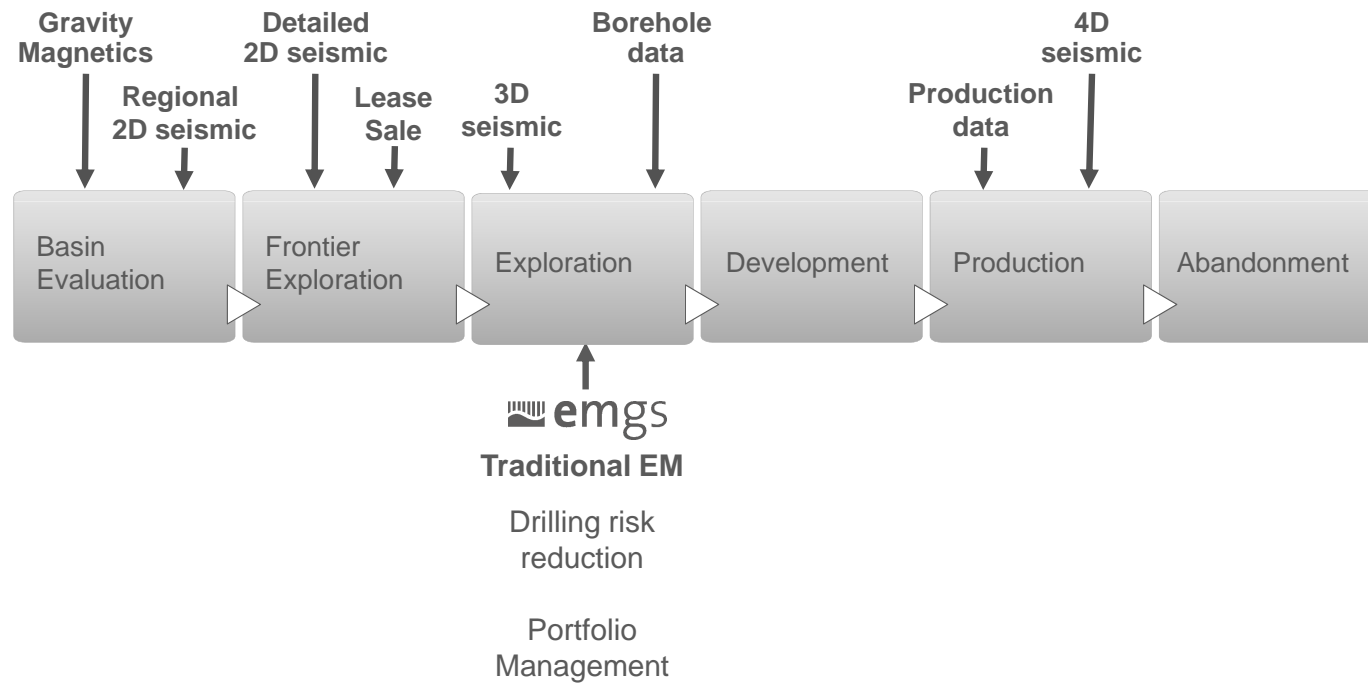
CONTROLLED SOURCE EM SURVEY DESIGN



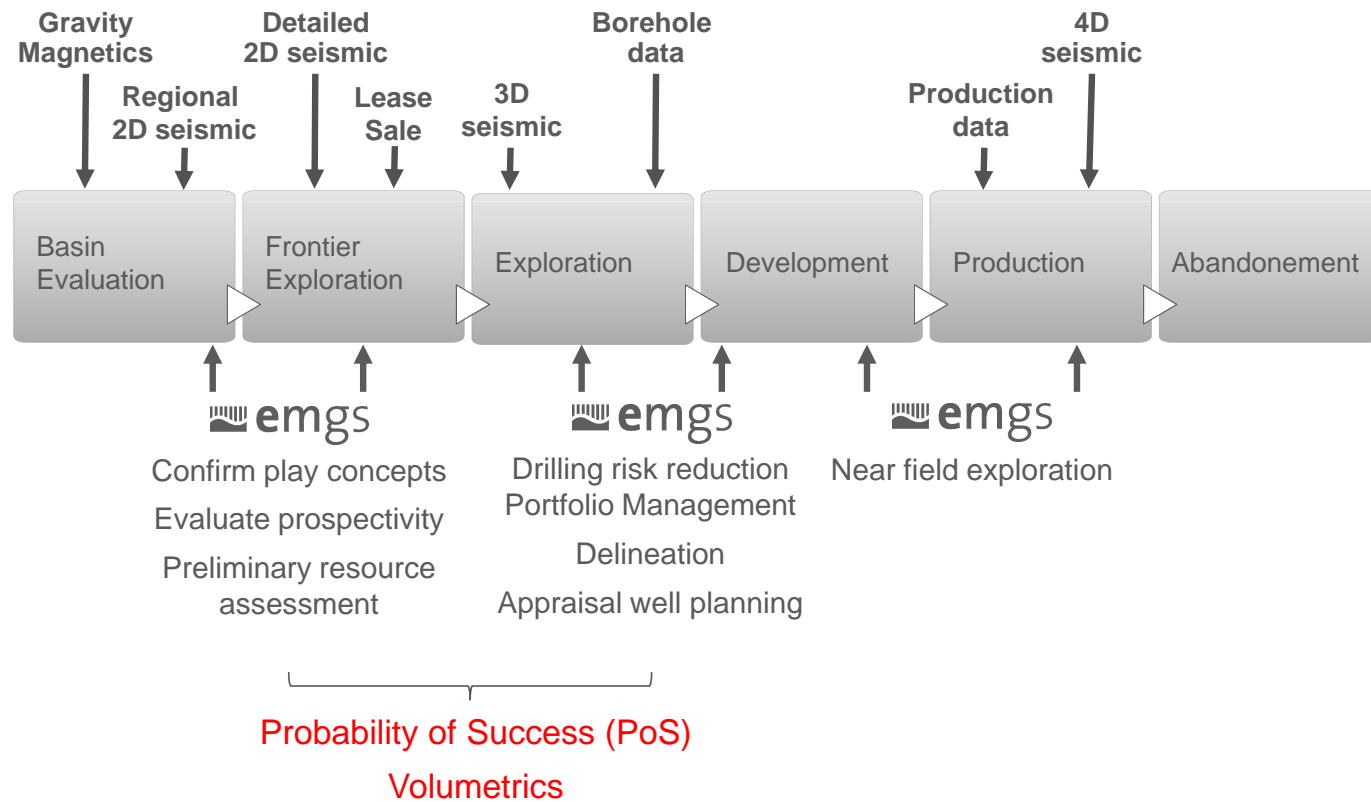
EM: CAPABILITY MATURITY



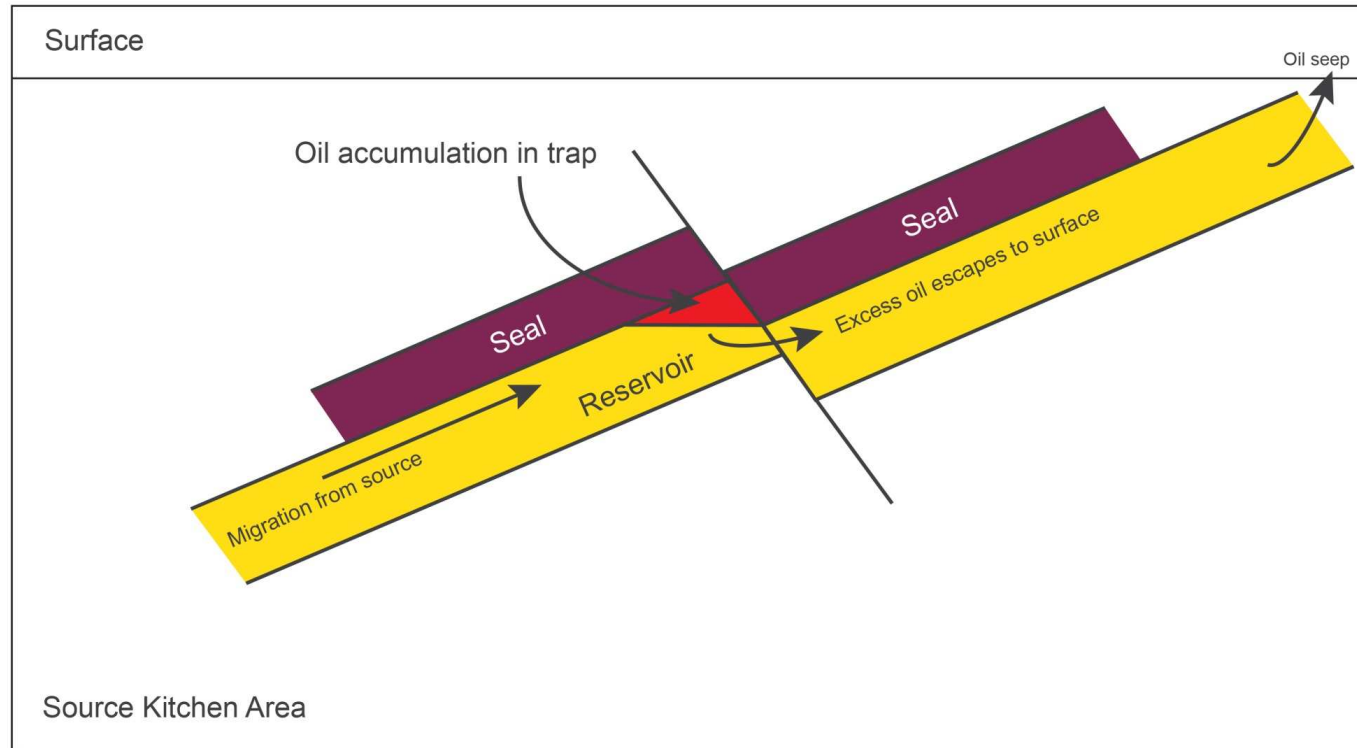
ELECTROMAGNETICS IN THE E&P WORKFLOW



ELECTROMAGNETICS IN THE E&P WORKFLOW



RESERVOIR GEOLOGY

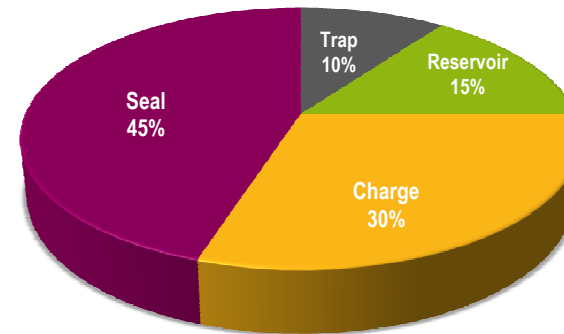


Trap, reservoir, charge and seal

Source: www.wikipedia.com

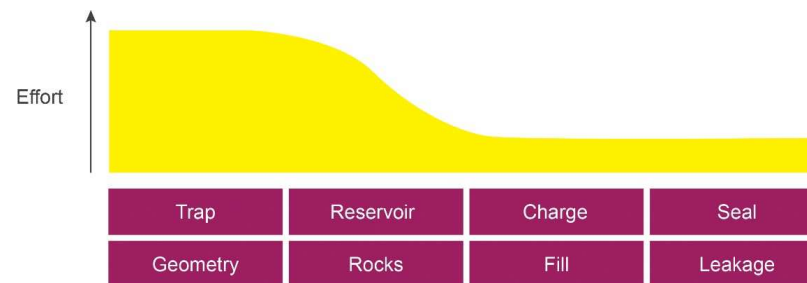
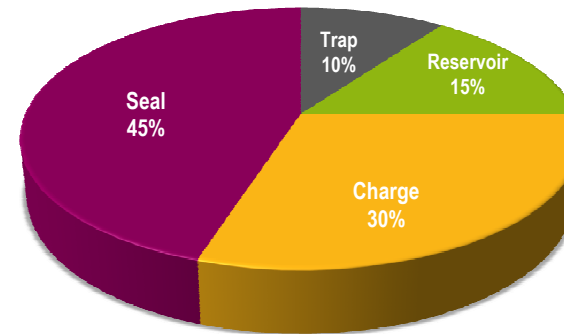
CSEM & SEISMIC INTEGRATION

- Low discovery rate today
 - 8/9 of every 10 exploration wells fail to find commercial levels of hydrocarbons
- Two main reasons for failure
 - Seal: 45%
 - Charge: 30%



CSEM & SEISMIC INTEGRATION

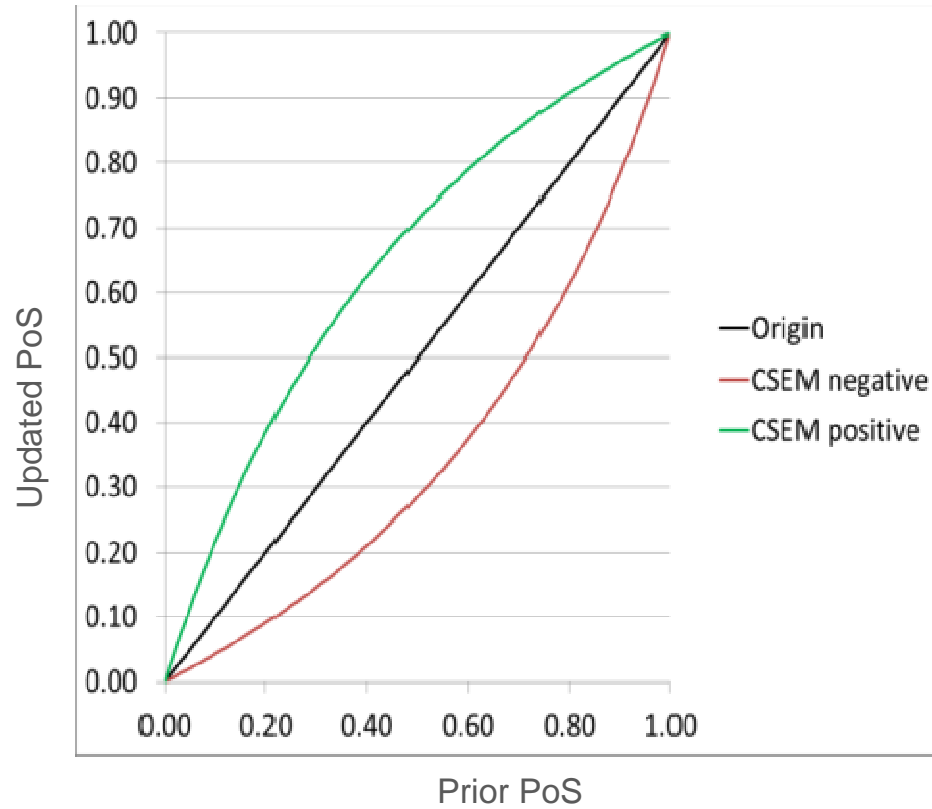
- Low discovery rate today
 - 8/9 of every 10 exploration wells fail to find commercial levels of hydrocarbons
- Two main reasons for failure
 - Seal: 45%
 - Charge: 30%
- Majority time/money spent on Trap & Reservoir (Seismic)
- Less time/money is spent on seal and charge



PROBABILITY OF SUCCESS

Existing PoS updated
by electromagnetic
data, but qualified by:

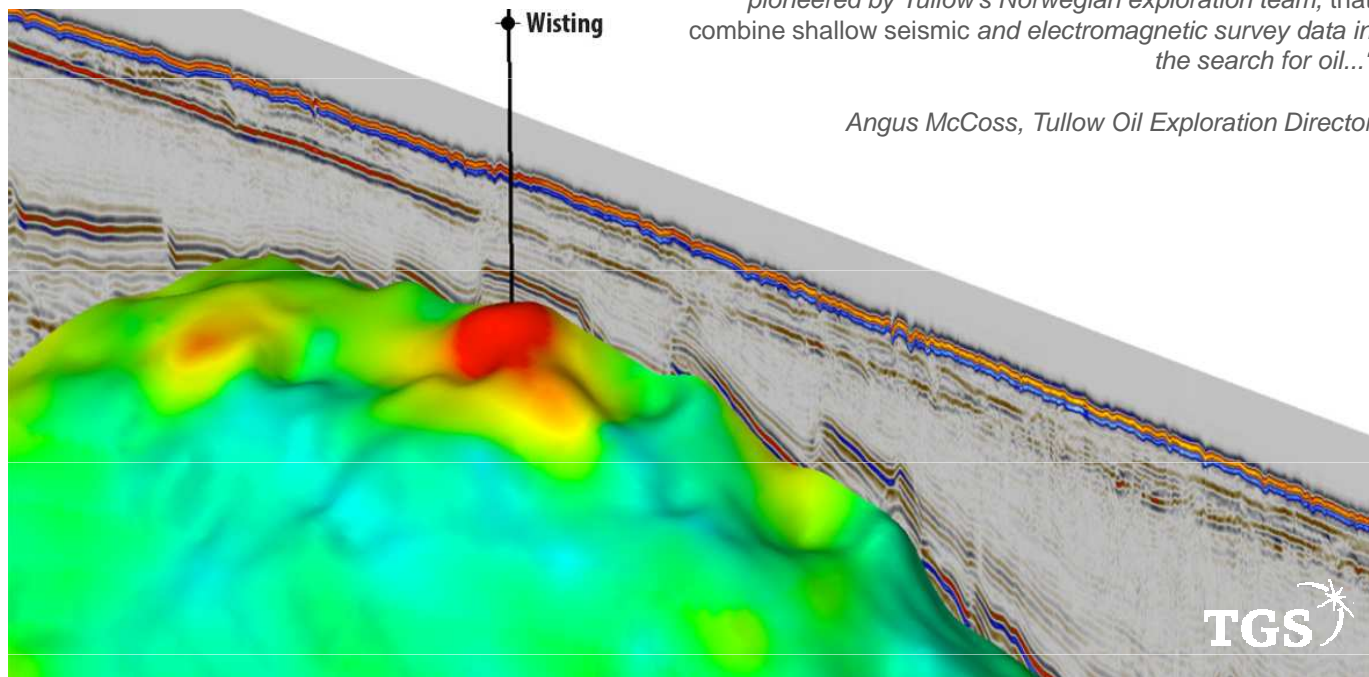
- Data sensitivity
- Data quality
- Imaging robustness
- Interpretability



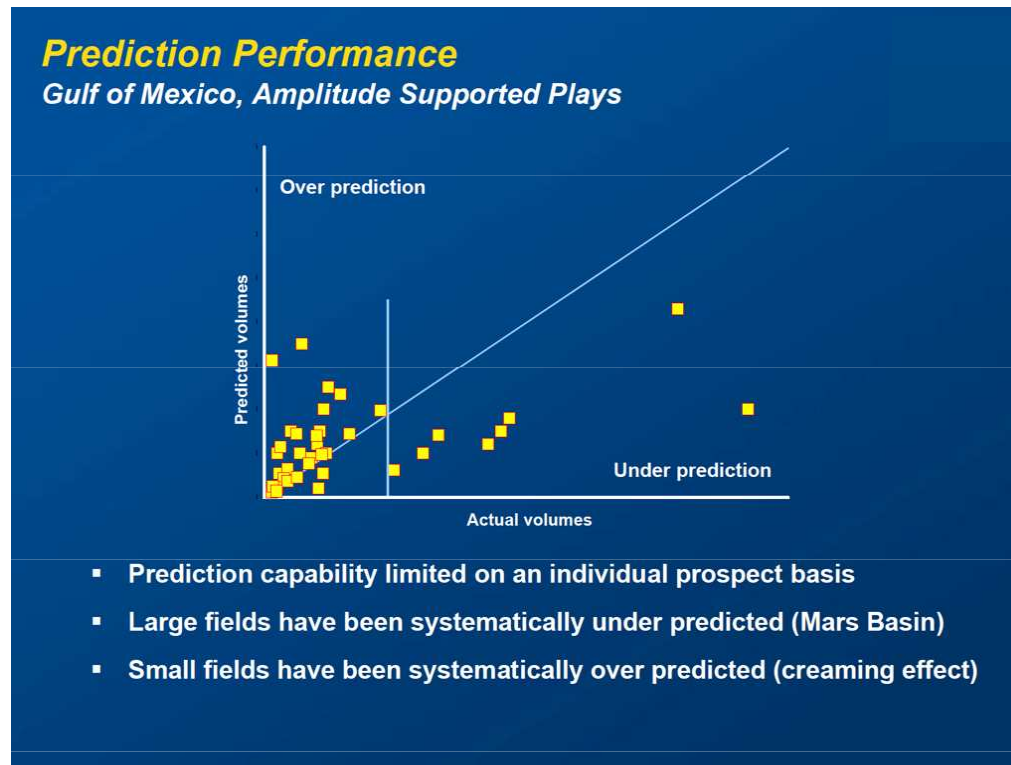
BLOCK PROSPECTIVITY CONFIRMED WITH 3D EM - WISTING

"The Wisting Central wildcat well has opened ... a new shallow play in the region. This discovery also demonstrates the effectiveness of leading edge exploration techniques, pioneered by Tullow's Norwegian exploration team, that combine shallow seismic and electromagnetic survey data in the search for oil..."

Angus McCoss, Tullow Oil Exploration Director



VOLUME PREDICTION PERFORMANCE



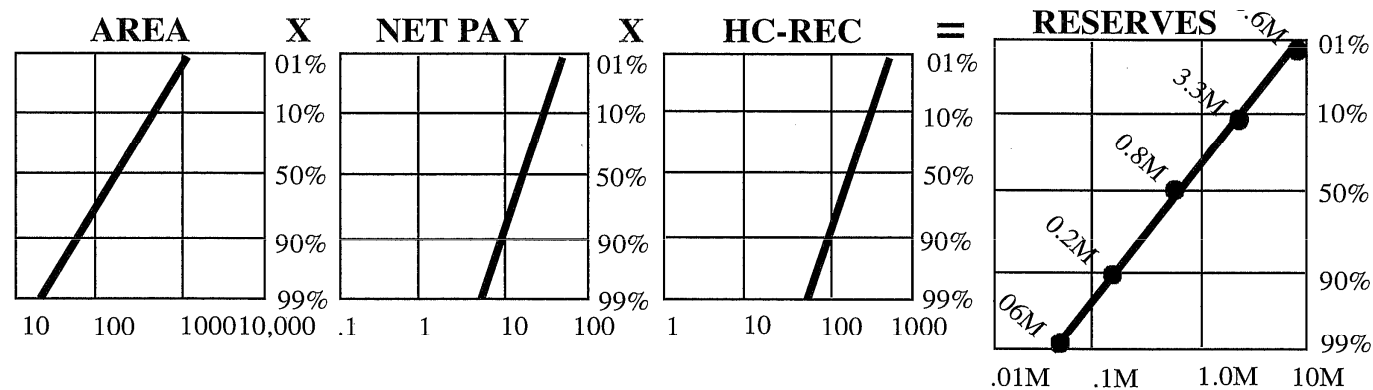
Source:

Dr. Daniel Zweidler,
*Exploration Planning
and Portfolio Manager,
Americas, Royal Dutch
Shell*

<http://danielzweidler.com>

VOLUMETRICS: WHY ARE AREA AND NET PAY SO VALUABLE?

Reserves



Source: Peter R. Rose, Risk Analysis and Management of petroleum exploration ventures, 2001

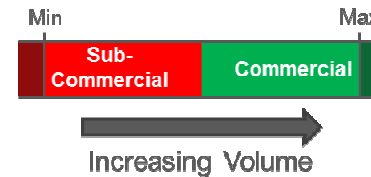
Area and Net Pay (the Net Rock Volume) are typically the two main uncertainties in reserves estimates during the exploration phase

NET ROCK VOLUME

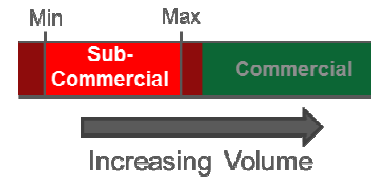
The volume of reservoir rock containing hydrocarbons (ie Net Rock Volume) is the main driver to CSEM response.

A CSEM result reduces the **range** of estimated reserves

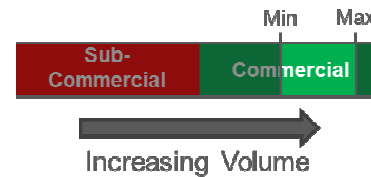
Net rock volume – without CSEM



Net rock volume – CSEM negative case



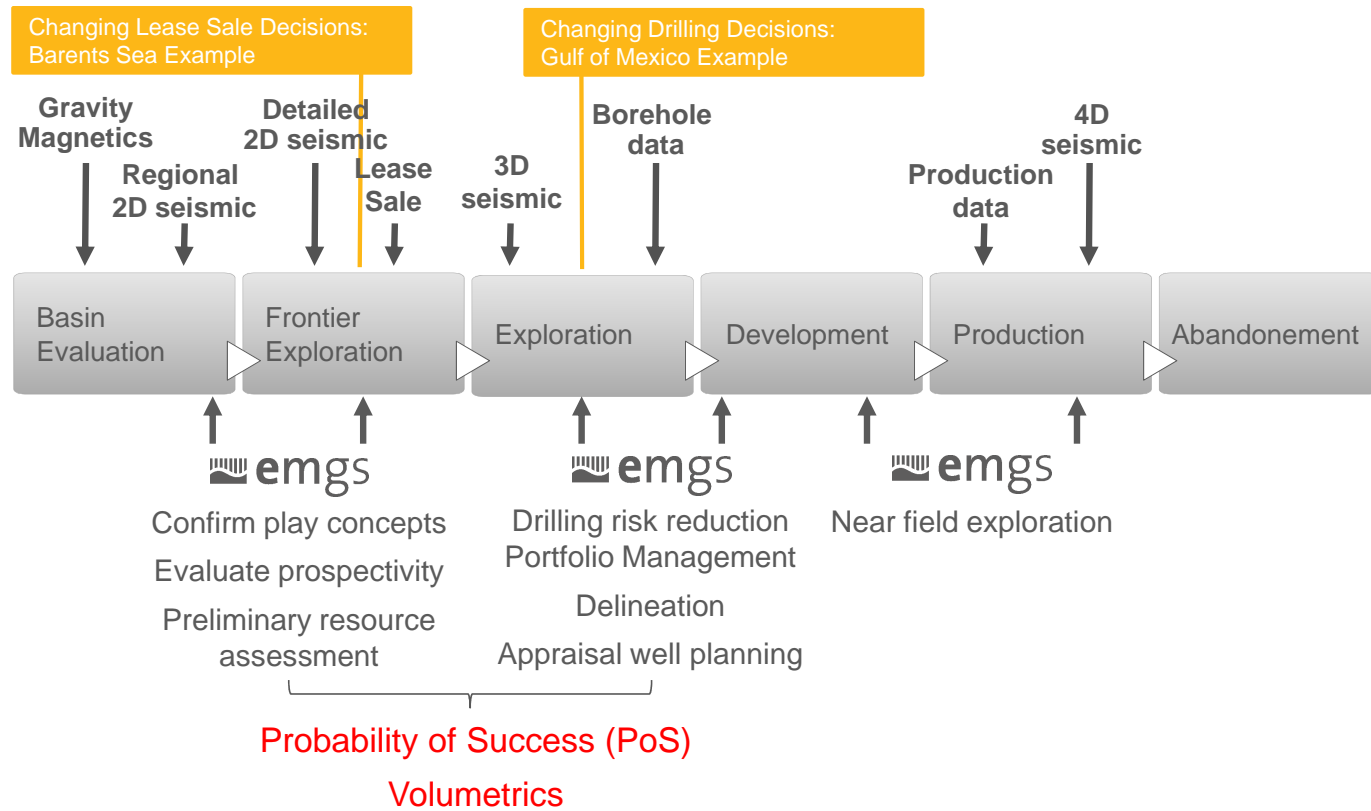
Net rock volume – CSEM positive case



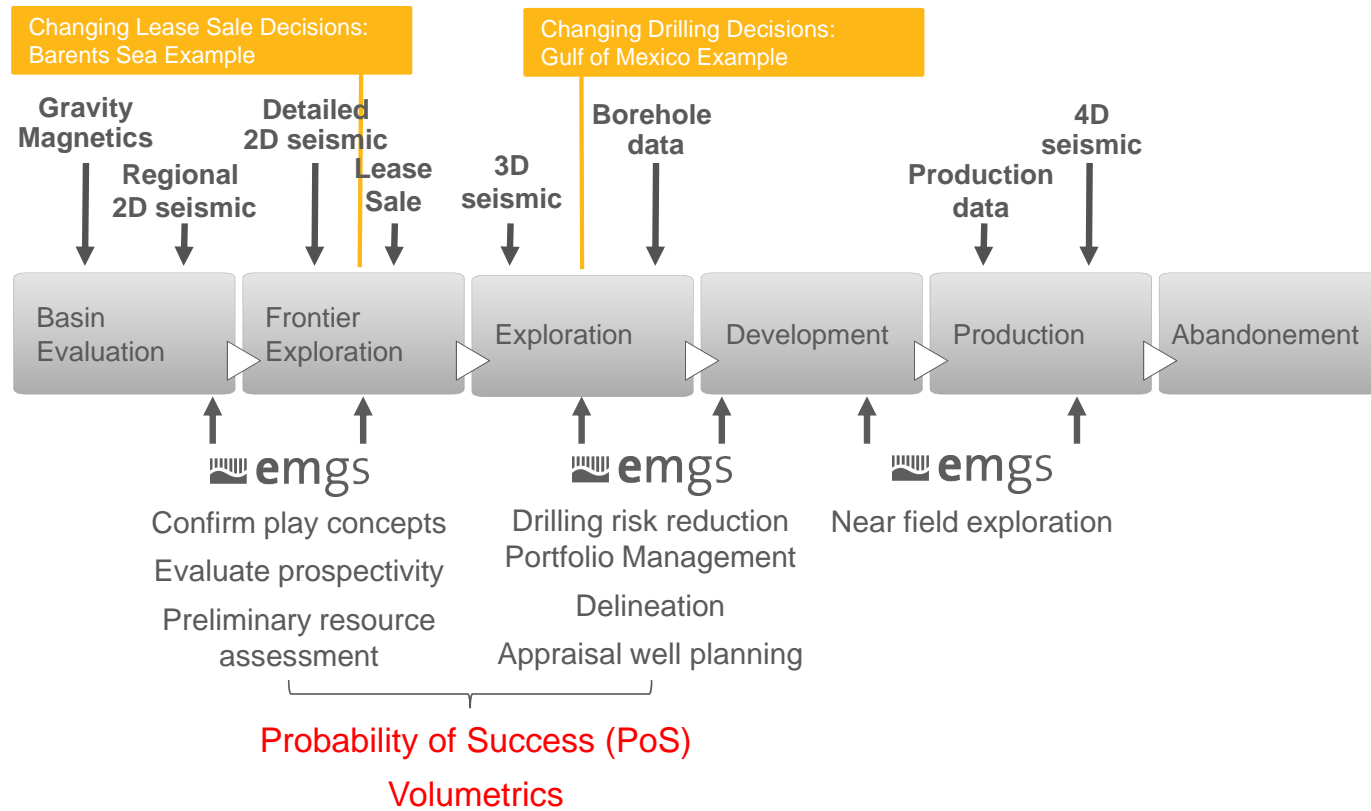
WHERE DOES CSEM ADD THE MOST QUANTITATIVE VALUE?

	2D Seismic	3D Seismic	CSEM
Trap	+	+	
Reservoir	+	+	
Charge	+	+	+
Seal			+
Volumes		+	+

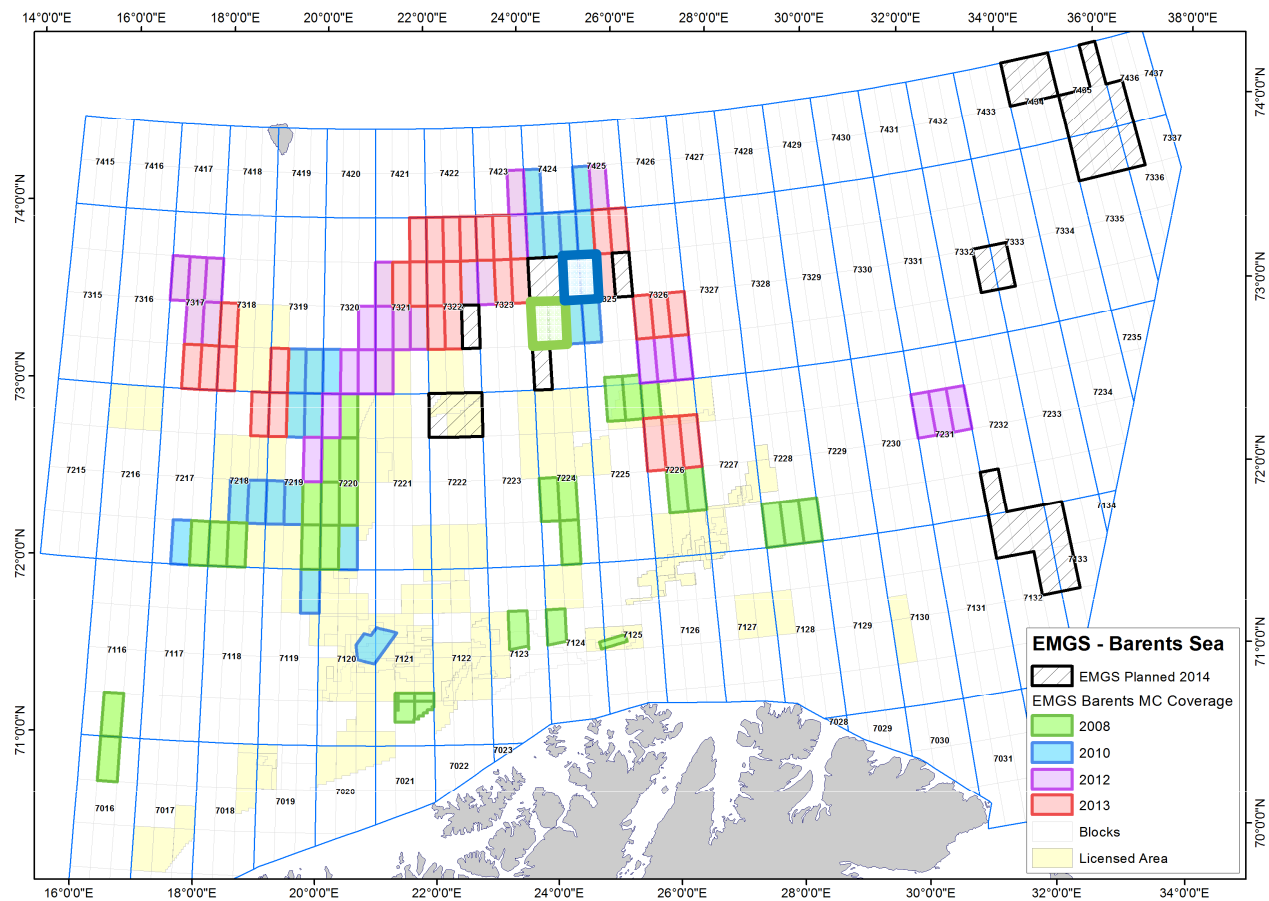
ELECTROMAGNETICS IN THE E&P WORKFLOW



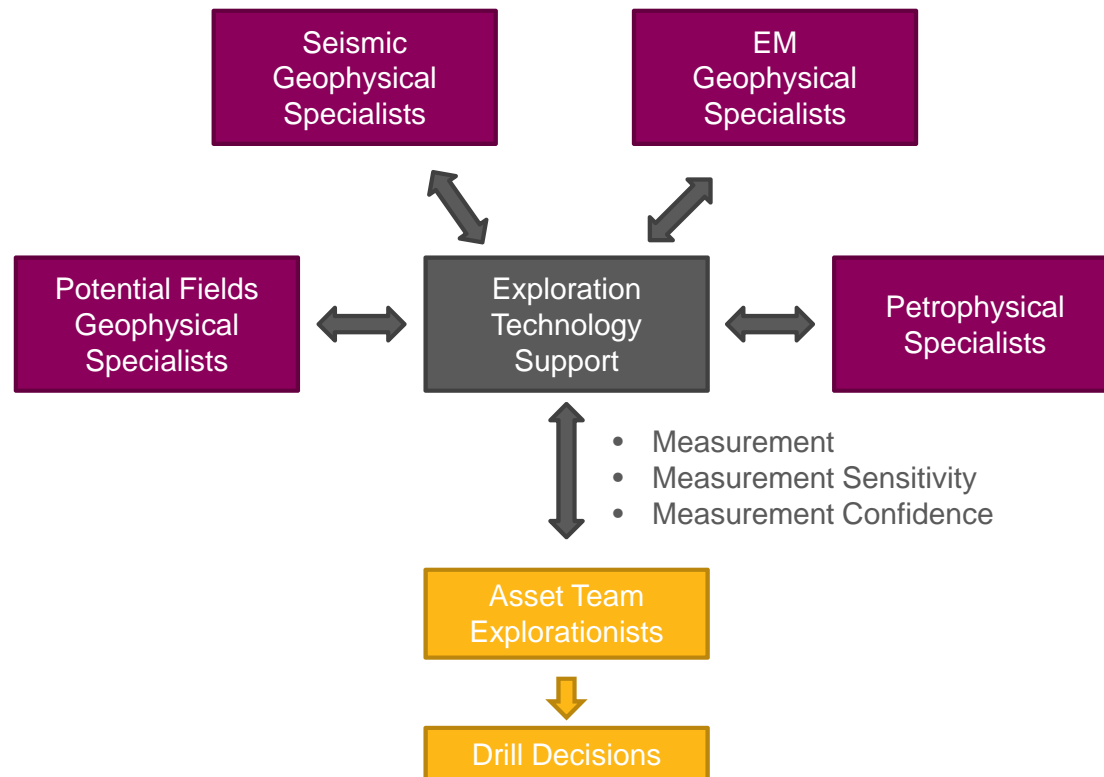
ELECTROMAGNETICS IN THE E&P WORKFLOW



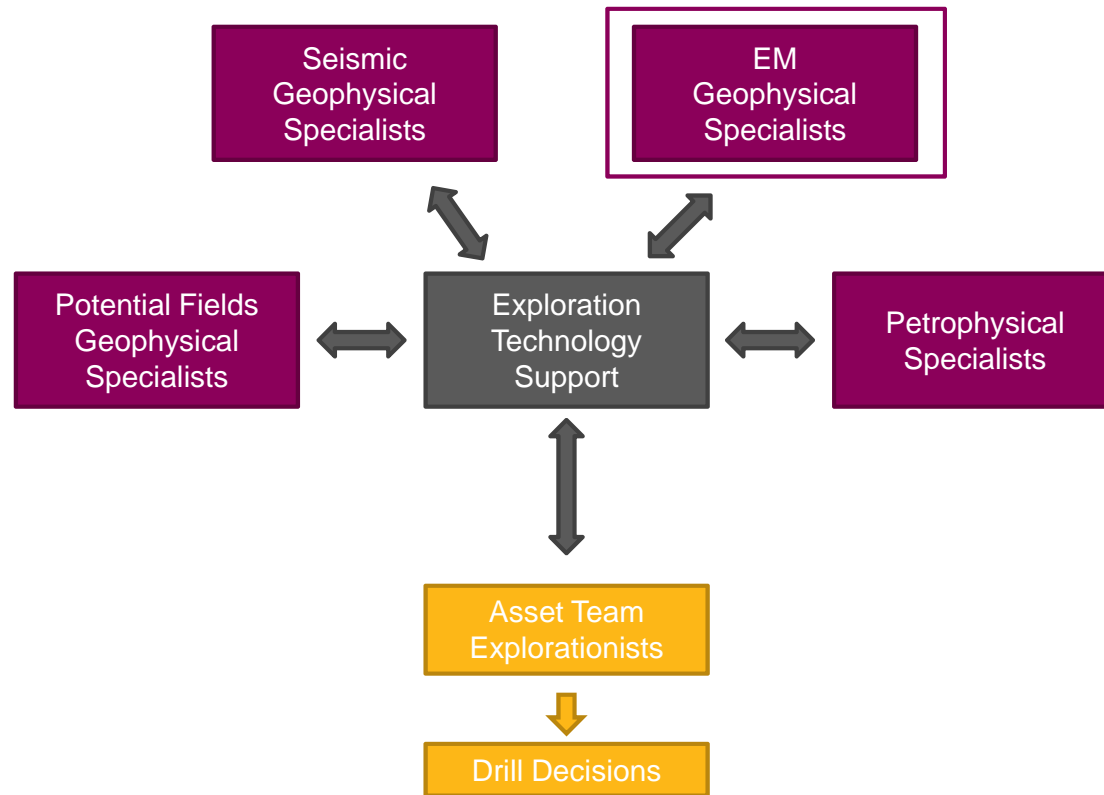
EMGS BARENTS SEA PROGRAM



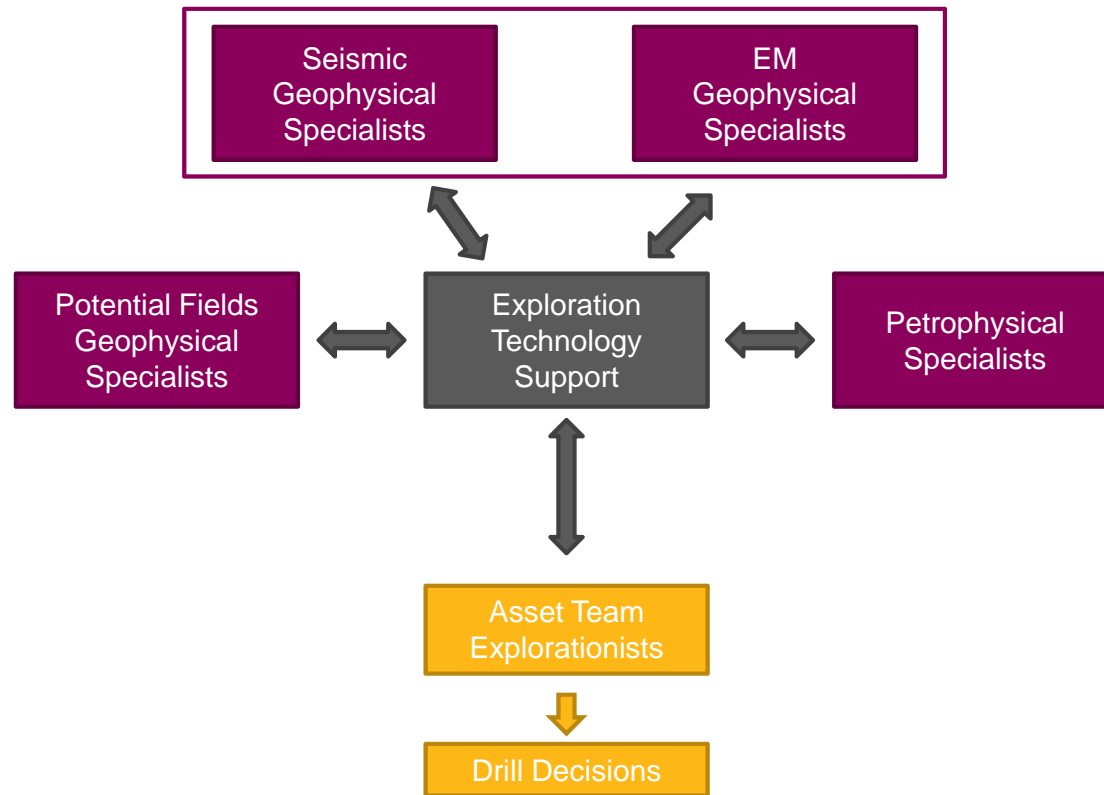
TECHNOLOGY IN THE EXPLORATION DECISION-MAKING PROCESS



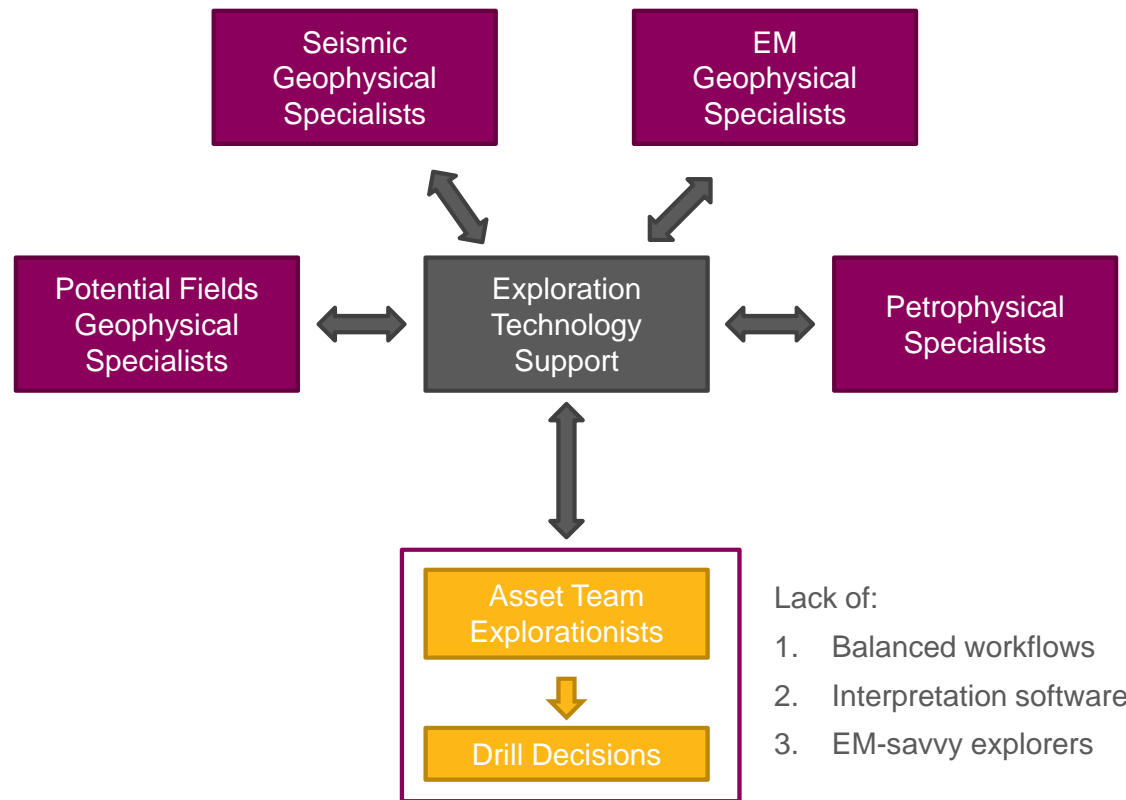
EM TECHNOLOGY FOCUS 1: ROBUST CORE PRODUCT



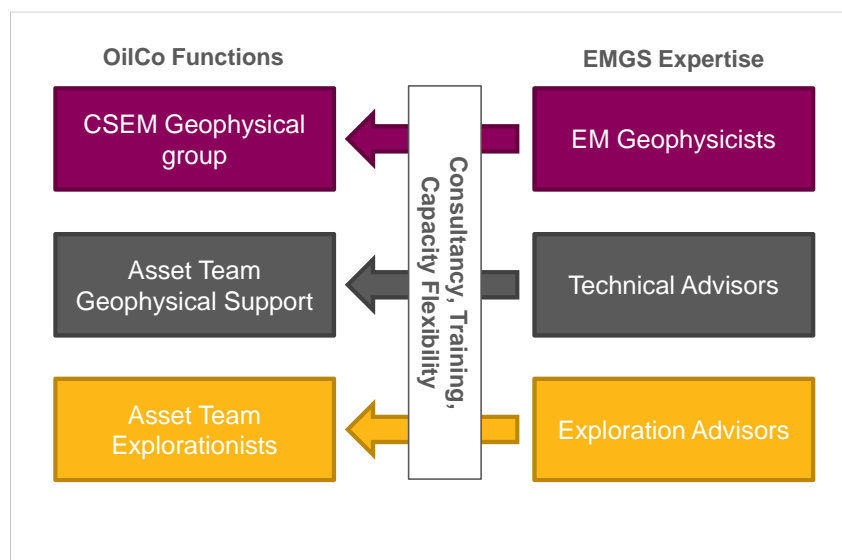
EM TECHNOLOGY FOCUS 2: INTEGRATED/ JOINT PRODUCTS



TECHNOLOGY ADOPTION BOTTLENECK: USING EM DATA TO MAKE DECISIONS



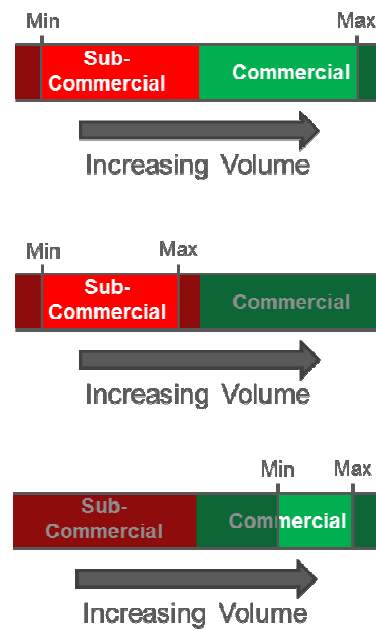
EMGS: EXPERTISE, WORKFLOWS AND SOFTWARE ALIGNED TO MEET EXPLORATION NEEDS



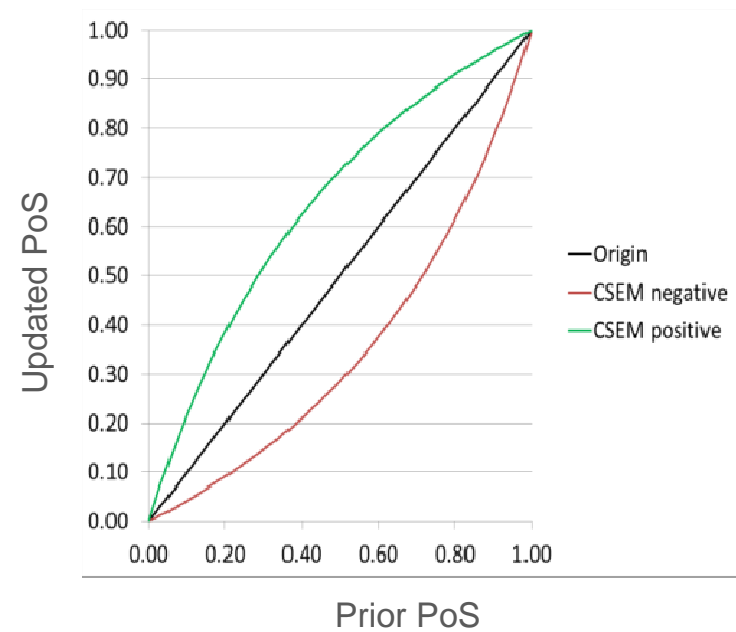
EMBEDDED CSEM ASSESSMENT SOFTWARE

2014 – Software development

Volumetric assessment software

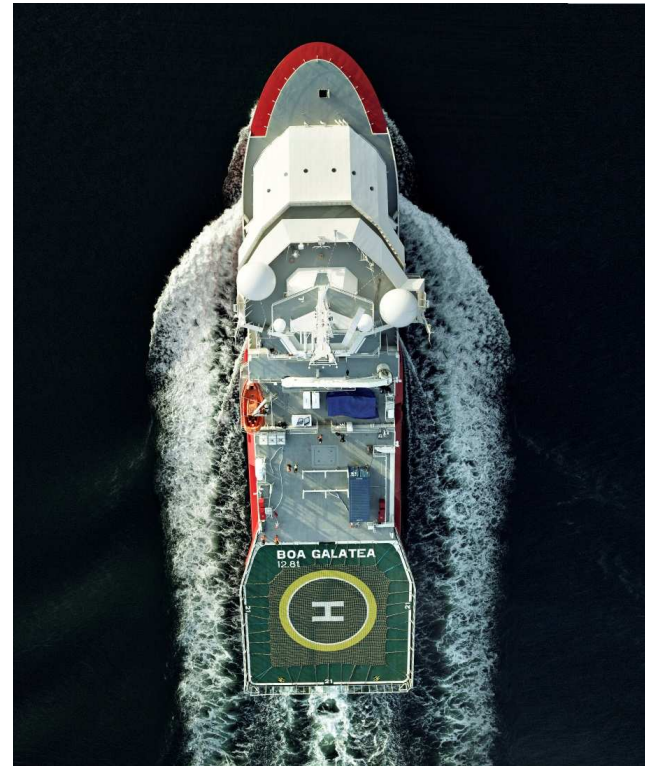


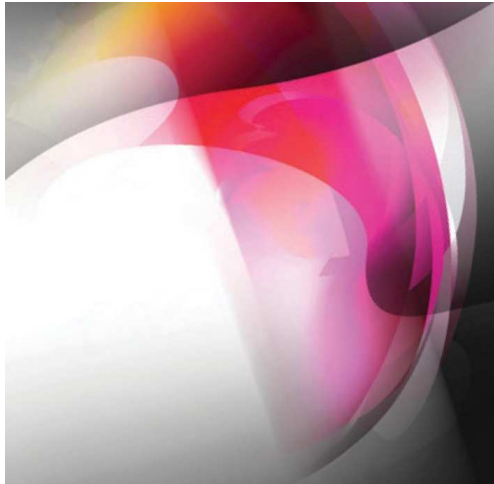
Probability of success software



SUMMARY

- Revenue growth potential is significant based upon customer revenue profile
- Key customers understand value and invest in CSEM heavily
- Technical sales support required to make clear the value proposition
- CSEM provides unique measurement & has excellent results
- CSEM complements existing seismic technology
- Value proposition requires adjustment in customer thinking & workflows
- Bottleneck is in adoption not technology
- Ongoing solutions:
 - Sales organization, process & tools
 - Software development to support customer workflows



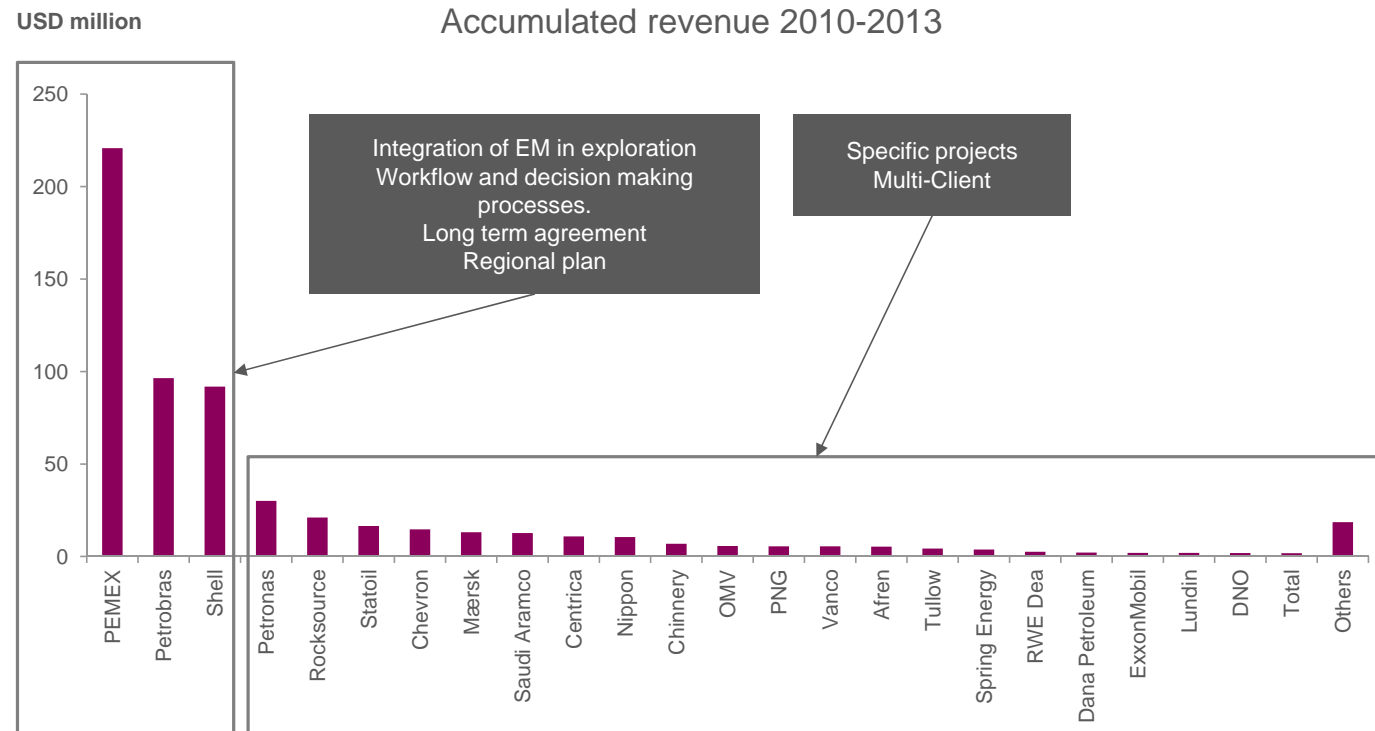


CUSTOMER APPROACH

Vincent Vieugue, EVP Sales & Marketing



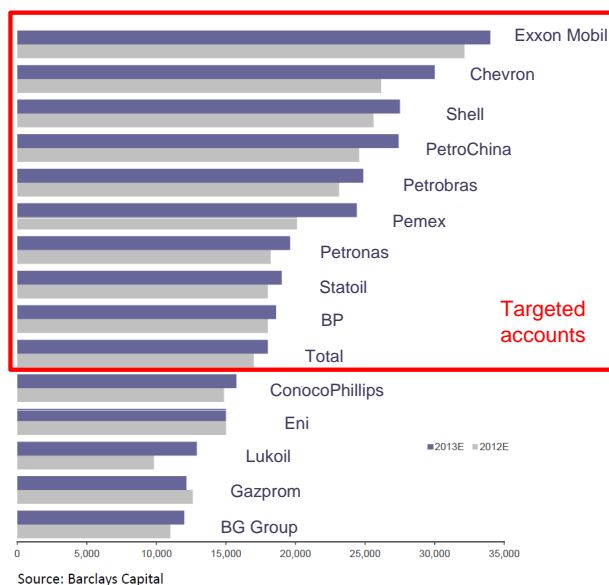
GROWING THE MARKET BY CHANGING OUR APPROACH TO CUSTOMERS



PRIORITIES TO ACCELERATE GROWTH



ADDRESS TARGETED MARKETS



Global E&P expenditure ~\$644 b in 2013 - growth 7%
Seismic spending average 2% of Total E&P

Offshore Reservoir and Seismic market estimated growth
\$14,2 b in 2013 to \$16,5 b in 2016

Priority for EMGS on high expenditure market

INTSOK Annual Report 2012 (Rystad Energy)

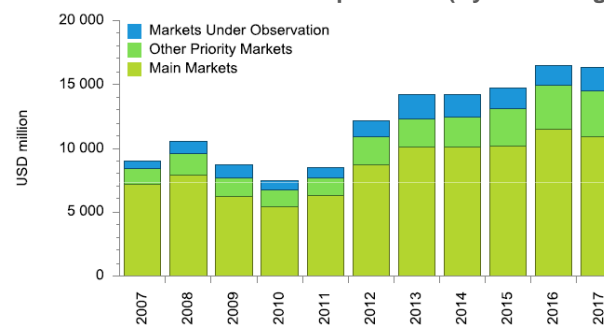


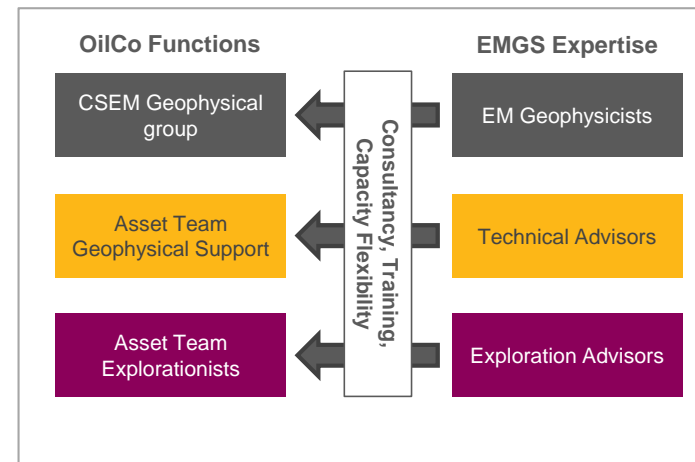
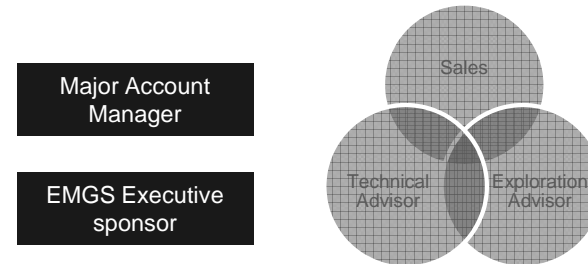
Figure 12: Offshore Reservoir and Seismic Market by Target Market Category

Table 5: Offshore Reservoir and Seismic Target Markets

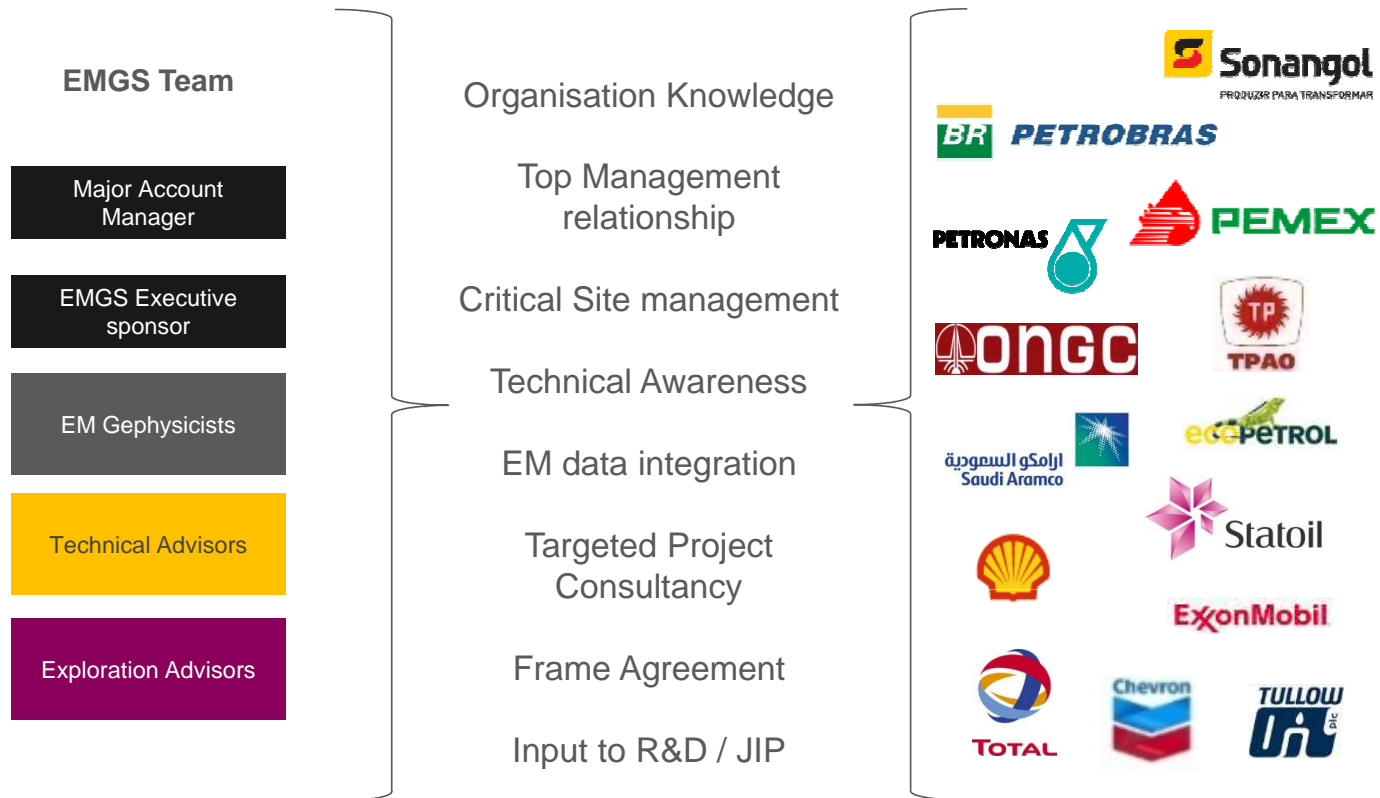
USD million	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
US GoM	3 096	2 837	2 343	1 555	2 003	3 567	3 720	4 403	4 495	4 801	4 220
Angola	425	470	667	507	597	566	724	808	804	934	992
Australia	474	777	646	663	660	1 183	1 407	858	849	1 658	1 548
Brazil	1 190	1 408	1 184	1 410	1 626	2 017	2 581	2 565	2 262	2 292	2 506
China	783	1 077	816	344	458	361	459	433	436	526	399
Russia	161	156	89	358	239	304	335	327	436	384	503
United Kingdom	998	1 185	468	519	704	741	879	756	880	938	770
Canada	151	353	156	190	107	229	329	377	385	483	627
India	259	225	259	245	146	462	504	409	696	495	561
Indonesia	212	199	263	218	433	538	347	512	591	524	644
Kazakhstan	79	62	19	29	23	19	29	24	80	317	371
Malaysia	205	244	362	292	251	303	421	417	544	853	548
Mexico	390	505	417	291	337	484	407	409	361	476	563
United Arab Emirates	40	97	43	37	95	154	163	144	275	283	267
Azerbaijan	52	21	47	131	71	40	296	139	76	80	154
East Africa	53	138	37	115	181	574	931	705	621	673	816
Middle East	190	246	310	290	238	168	199	225	234	255	297
West Africa	271	556	613	273	348	480	506	716	681	479	532
Total	9 027	10 556	8 737	7 467	8 517	12 189	14 238	14 227	14 706	16 451	16 320

REINFORCE CUSTOMER ENGAGEMENT

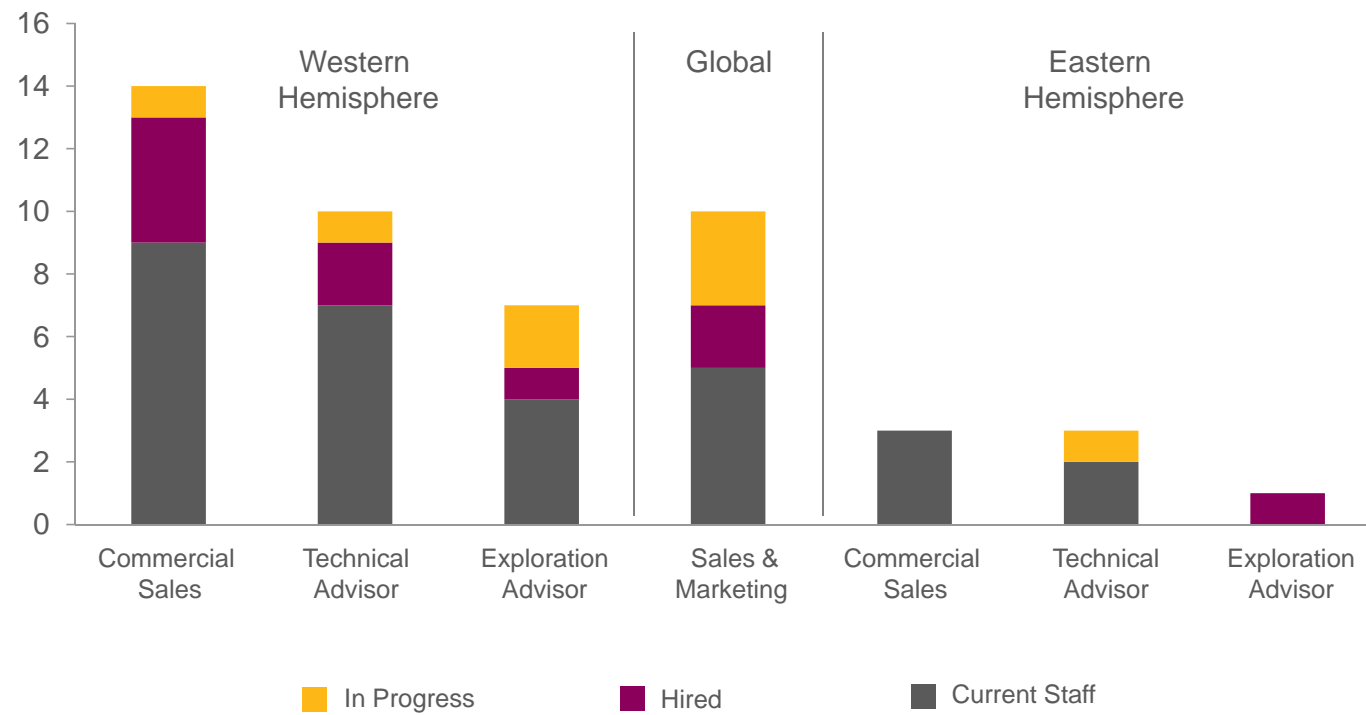
- Implement strategic account plan targeting 6 IOCs and 8 NOCs
- Develop partnership with other services companies (TGS, WesternGeco)
- Building an organisation supporting operators processes
- Establish best practises
 - input to development
 - EM data integration in Workflow



TAILORED APPROACH TO STRATEGIC ACCOUNTS



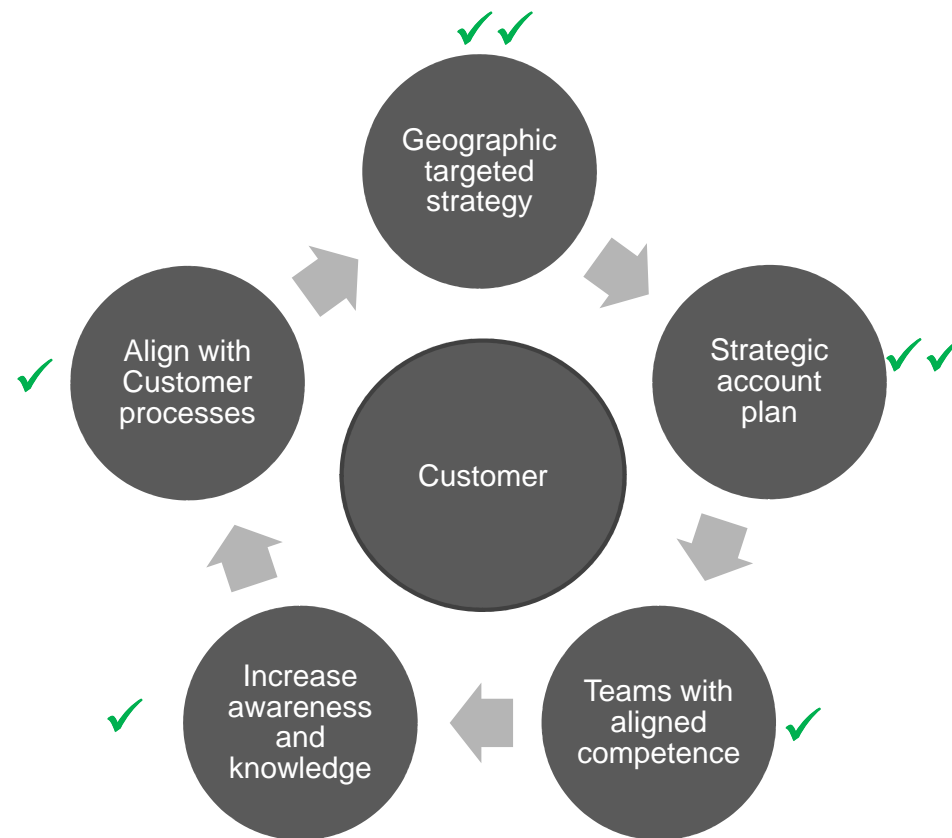
STRENGTHEN SALES TEAM

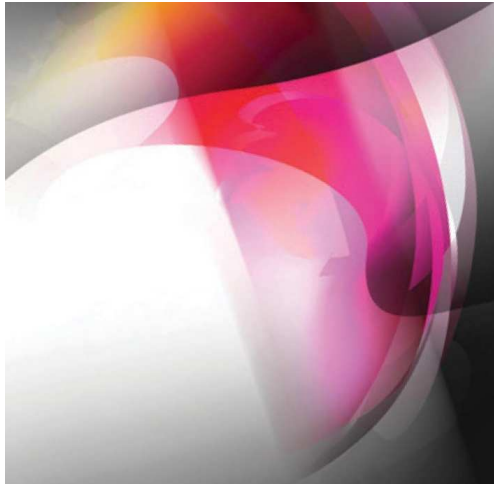


INCREASE AWARENESS

Market case studies/ publications	<ul style="list-style-type: none">• Use multi-client approach to develop more relevant case studies and publications• Increase exposure of successful story (GOM, Brazil, Barents,...)• Joint Papers with Major accounts	Increased awareness
Messaging and Advertising	<ul style="list-style-type: none">• Improve value proposition messaging• Increase Targeted participation to key Forum / Exhibition / conference• Targeted marketing campaign to follow Licensing round and sales process	
Educational program	<ul style="list-style-type: none">• Run Lunch and Learns / Workshop at critical sites (recent in Angola with 72 participants)• Create an educational program for customers• Engage with Universities• Establish Yearly customer Forum	
Lobbying	<ul style="list-style-type: none">• Strategic and targeted work towards policy makers and regulatory agencies to obtain "EM friendly" regimes• Engage with the NPD like• Hire local partners or representatives (West Africa, India)	

PRIORITIES TO ACCELERATE GROWTH





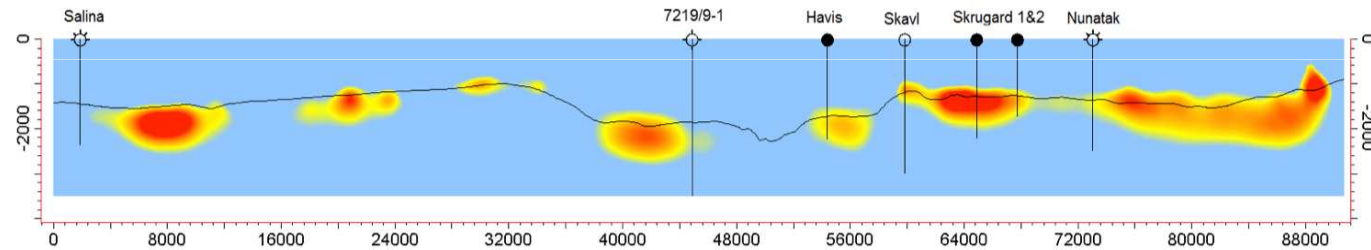
VALUE IN MULTI-CLIENT

David Hicks, President Western Hemisphere



MULTI-CLIENT – BENEFIT TO BOTH CUSTOMERS AND EMGS

- Multi-client projects are crucial to increasing the adoption of EM technology
 - Acquiring data in the best areas
- Good opportunities for cooperating with seismic players
 - Integration of EM and seismic data is key going forward
 - Part of the same conversation
- Multi-client projects give a lower barrier to entry for customers
 - Lower financial entry for companies – large and small

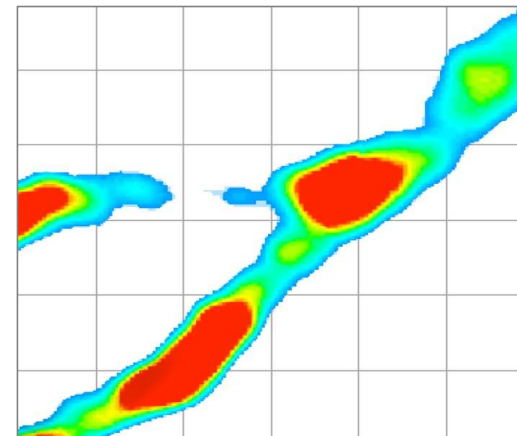
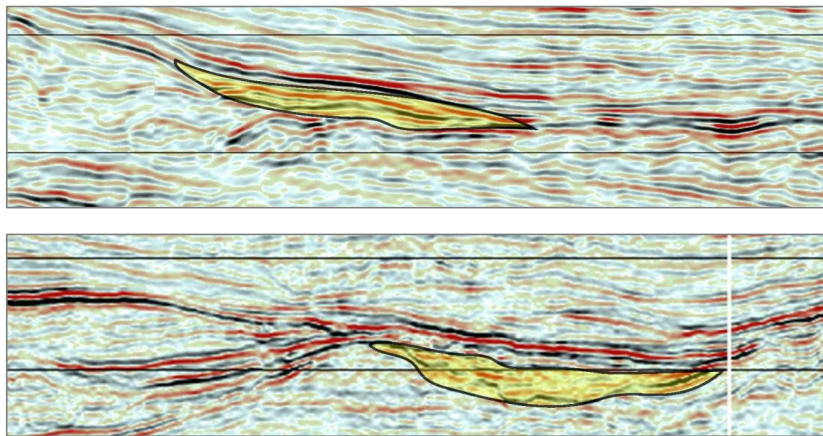
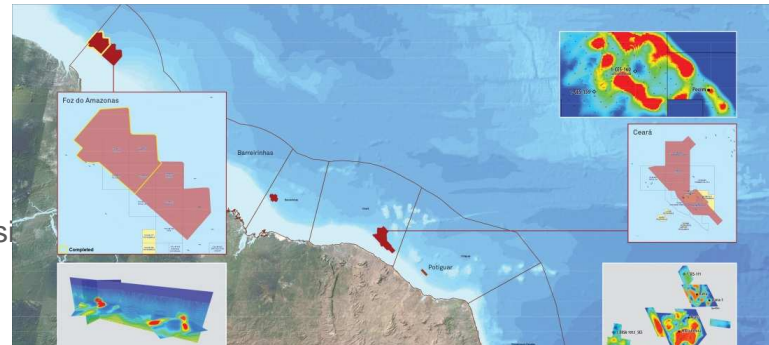




CURRENT MULTI-CLIENT REGIONS

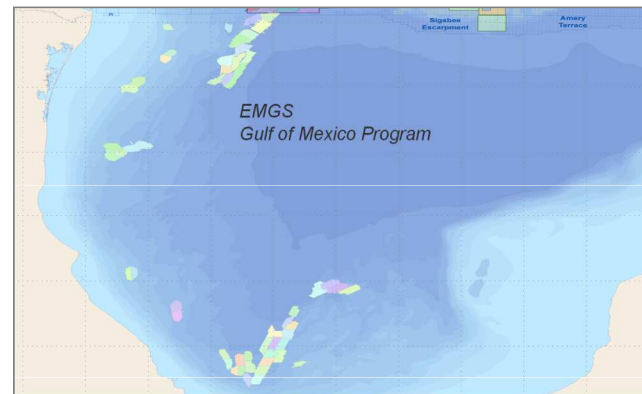
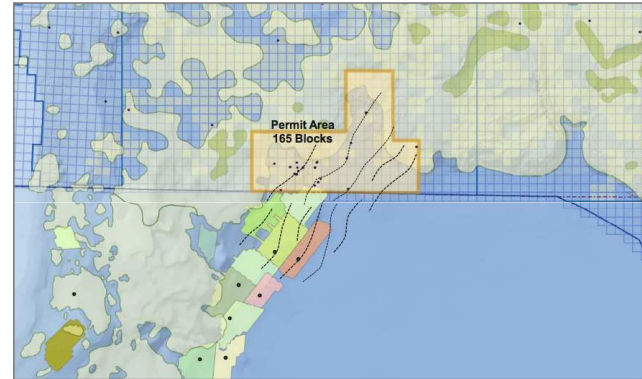
BRAZIL – CURRENT AND FUTURE

- Frontier exploration areas
- Active market
- EM Library over 15,000 km²
- Foz do Amazonas basin
 - Working closely with Spectrum Geophysics

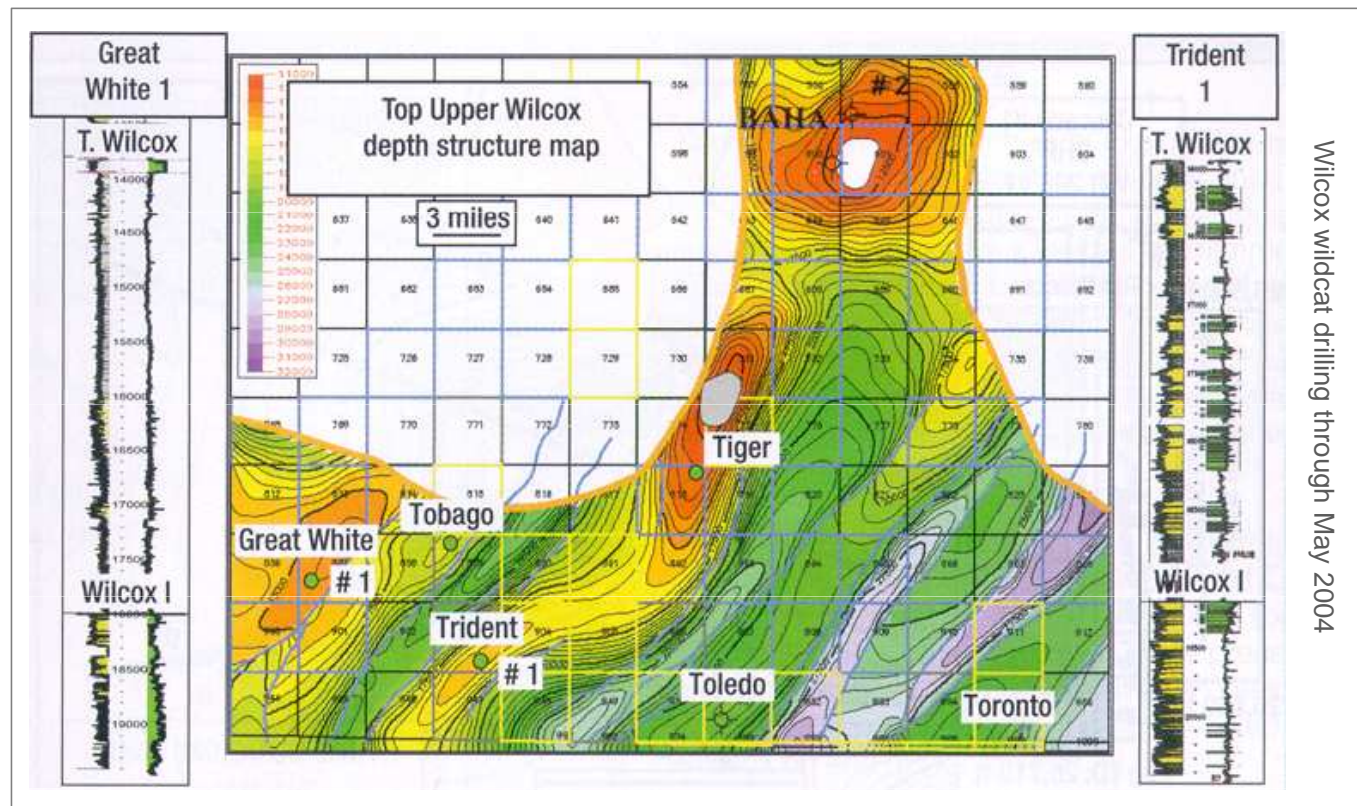


THE GULF OF MEXICO

- Value of work with Pemex
 - Unparalleled laboratory
- Daybreak MC Survey
 - 160 blocks covering Alaminos Canyon (3,000 km²+)
 - Both CSEM and MT for aiding seismic imaging
 - Difficult area for imaging
 - Lease sale Fall 2014
 - Pre-funded

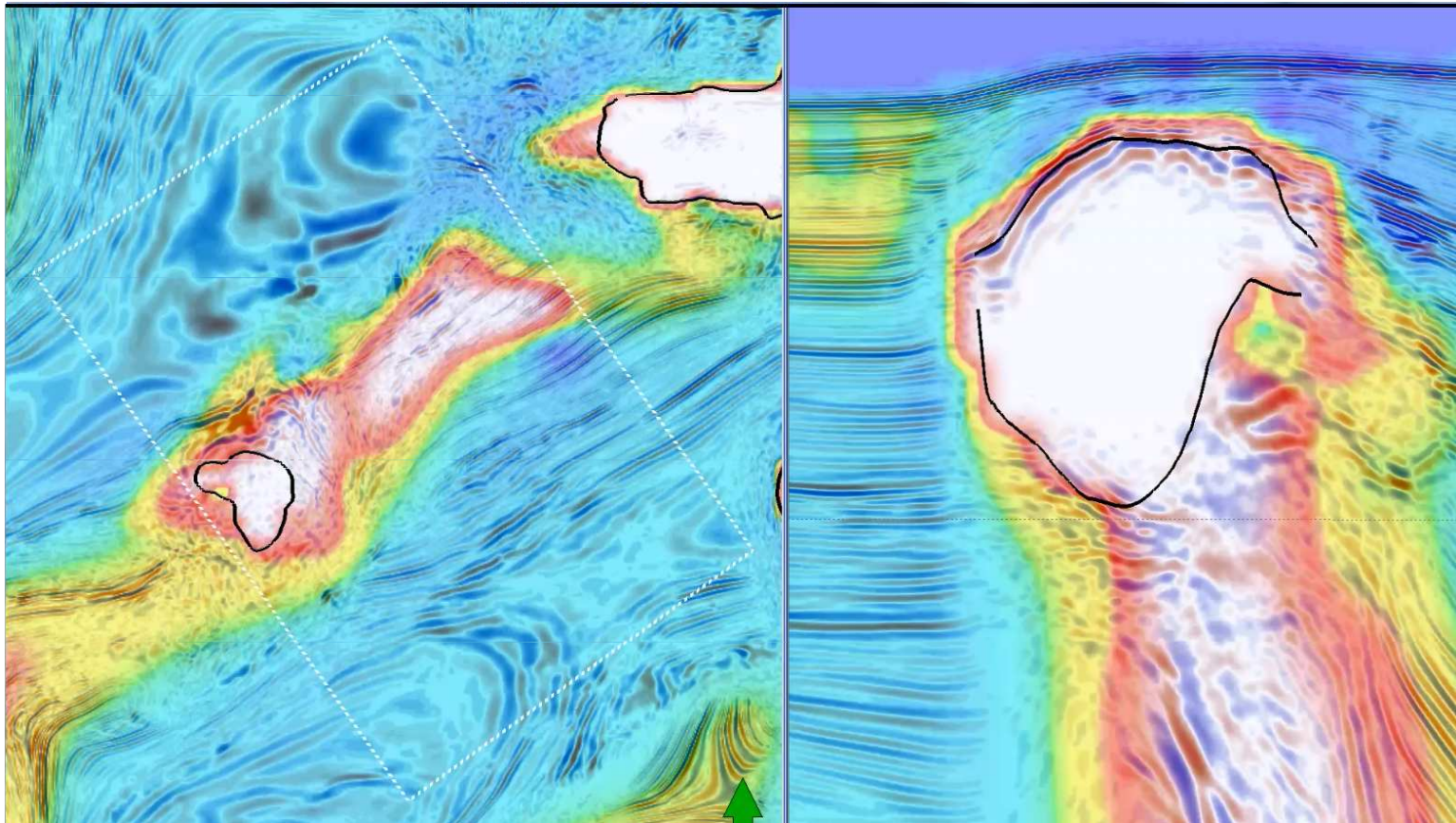


PERDIDO FOLD BELT

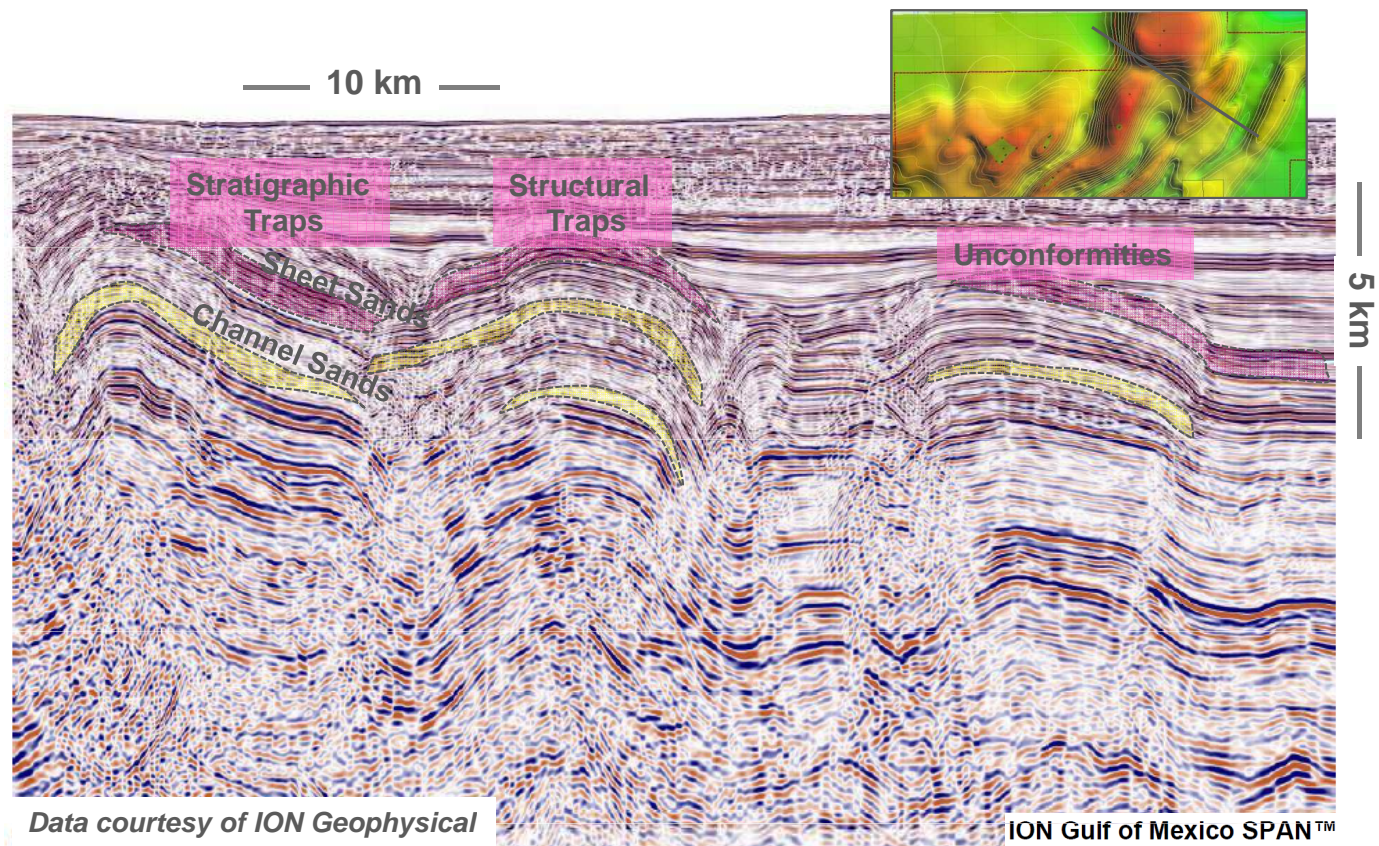


Wilcox wildcat drilling through May 2004

*DEPTH PROGRESSION
SEISMIC INTERPRETATION, SALT*

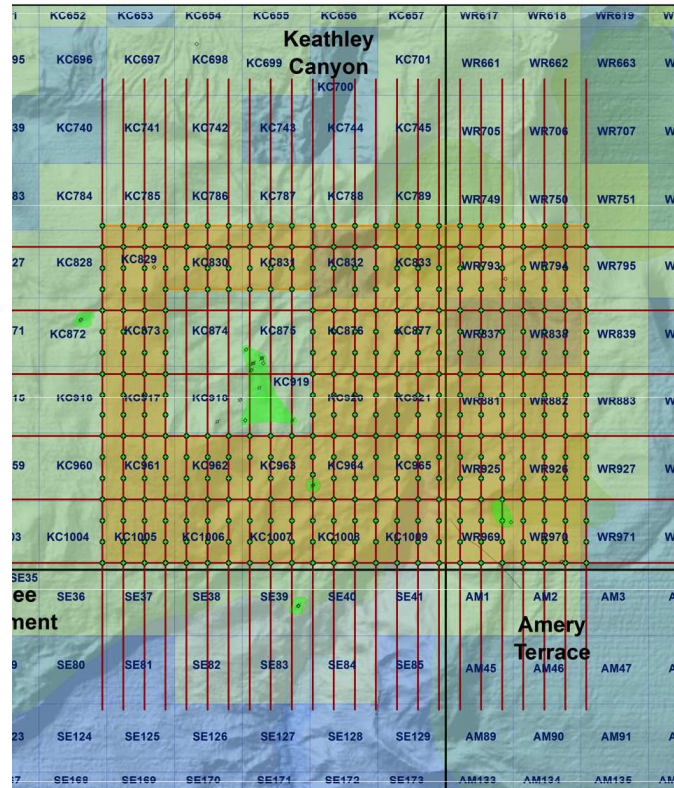


PERDIDO TREND PLAY CONCEPTS



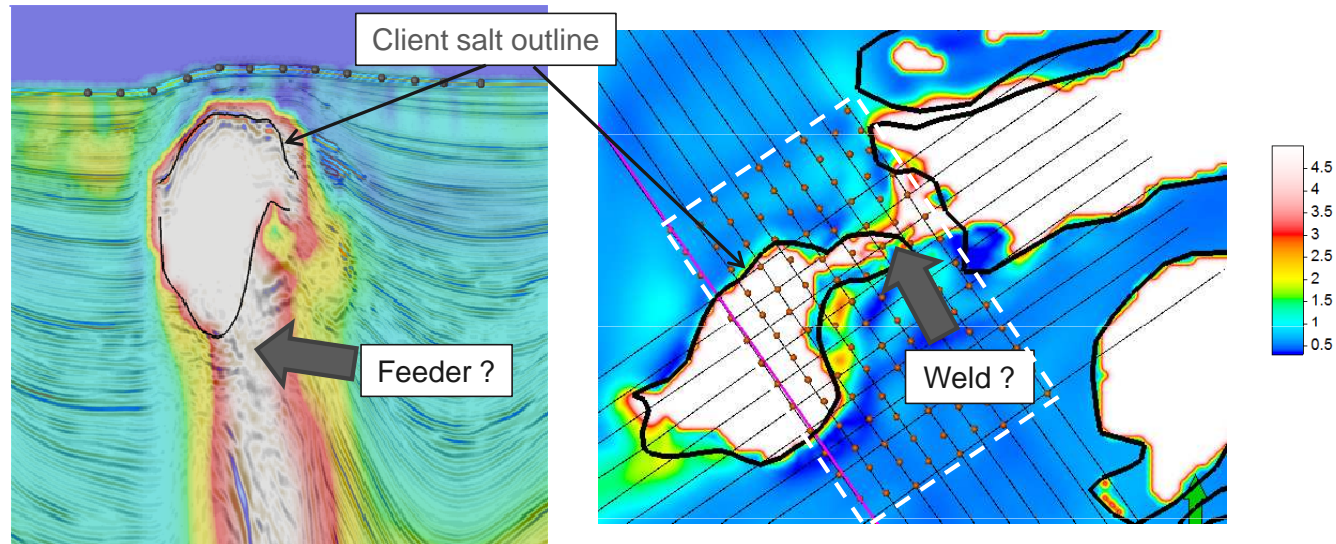
STRUCTURAL IMAGING

- Keathley Canyon
 - Seismic Imaging project with Schlumberger
 - Opens up salt and other difficult to image provinces around globe (GOM, Angola, Brazil, India...)
- Structural Imaging as a new product line



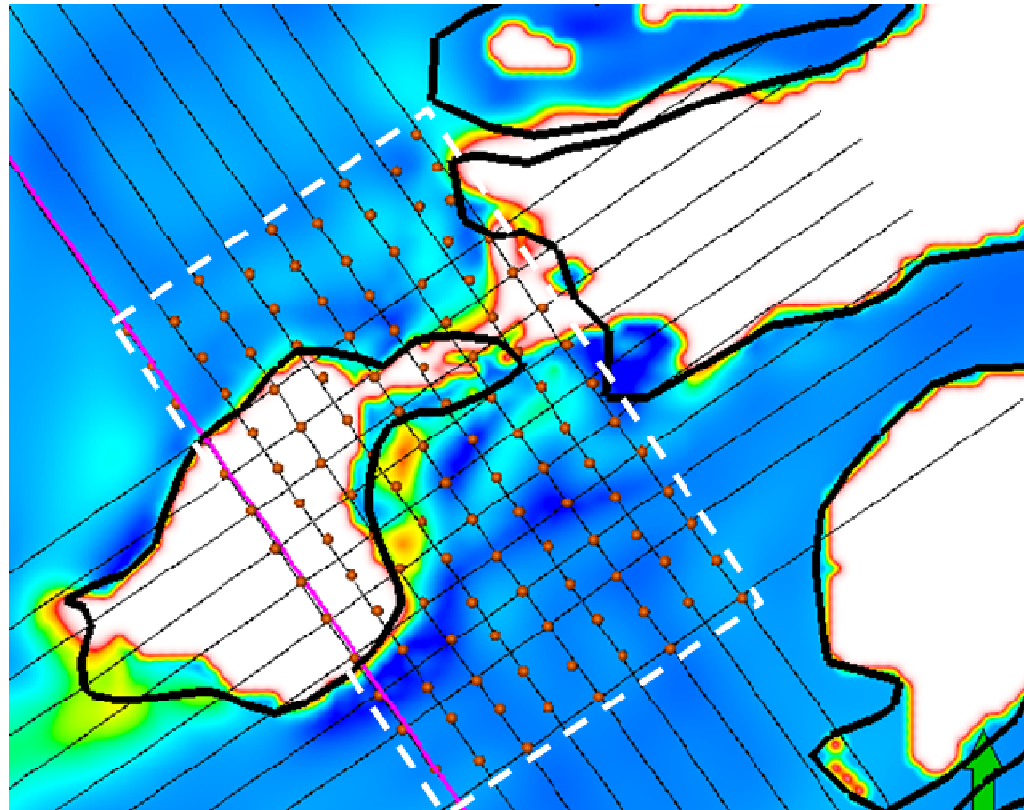
EXAMPLE GOM

Salt imaging using 3D CSEM data

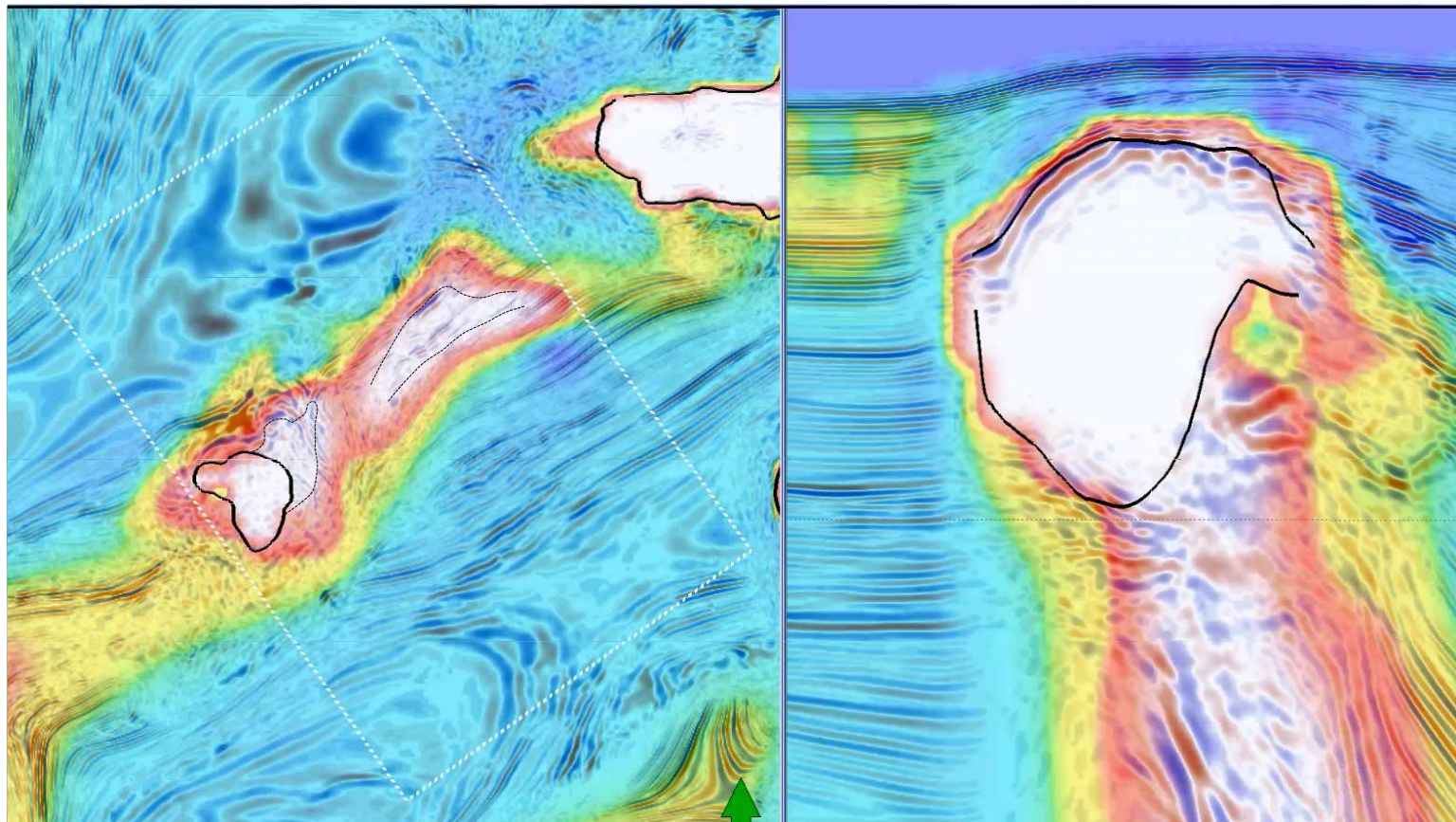


- Identify salt feeder
- Differentiate salt composition with respect to resistivity
- Identify connections between interpreted individual salt bodies

DEPTH SLICE MOVIE



*DEPTH PROGRESSION
RESIDUAL SALT INTERPRETATION*





BARENTS

BARENTS SEA - EM APPLICATION IN NCS LICENSING ROUNDS



Identify areas

Get pre-commitment

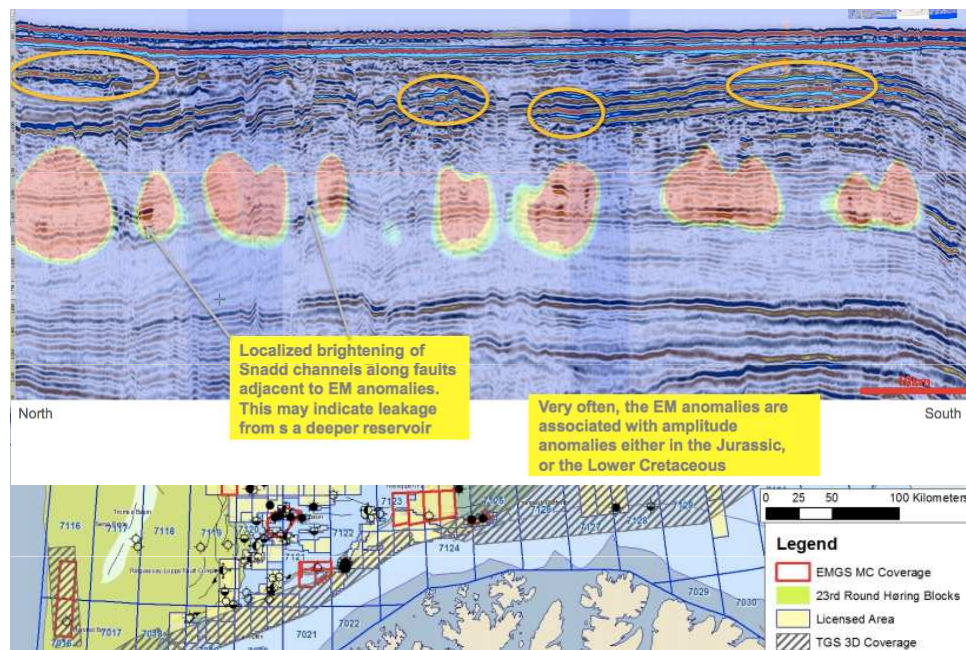
Acquire and process data

Clients use data in application work

Exclusive work

HOOP AREA AND TGS

- Joint venture in 17 blocks with TGS
- 30% Investment
- Detailed seismic / EM integration

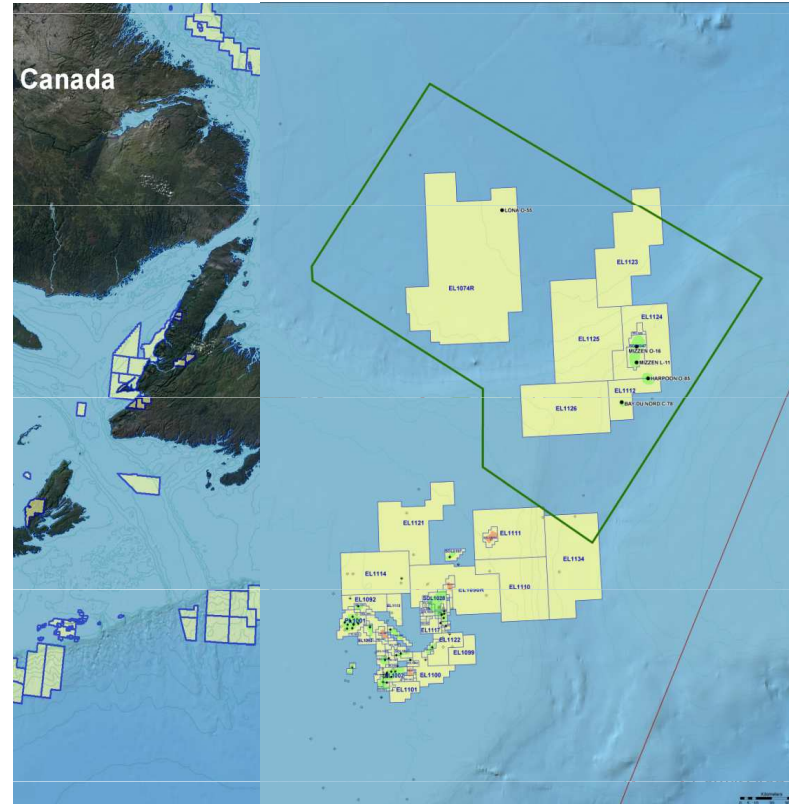




NEW OPPORTUNITIES

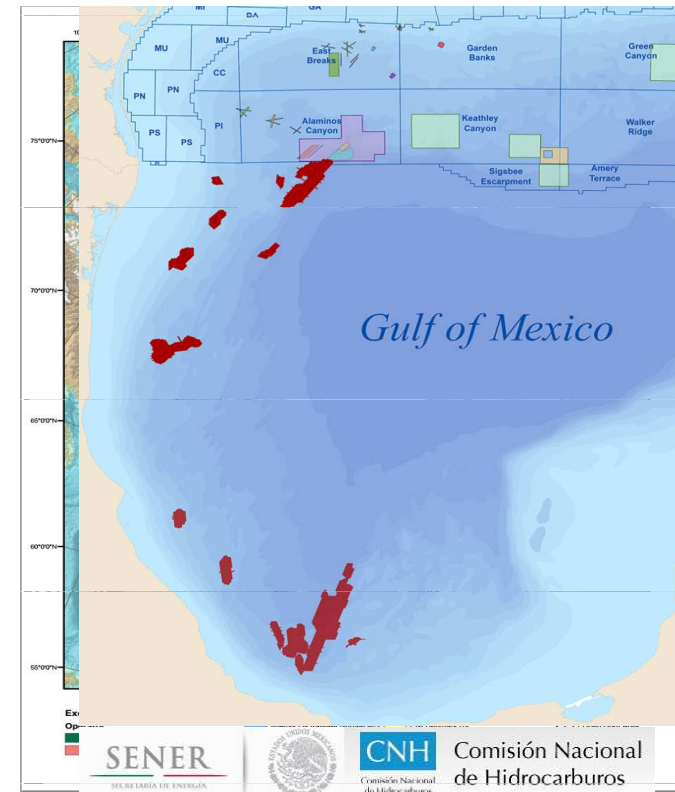
EAST CANADA MULTI-CLIENT PROGRAM

- 13,500 km² multi-year, multi-client 3D EM campaign with NALCOR starting this summer
- Competitive advantage to subscribers exploring for the next high impact discovery
- Improving rock property knowledge, geologic understanding and reserve estimations



MULTI-CLIENT NEW OPPORTUNITIES

- Uruguay
 - New bid round in 2015
 - Licensing of EM will count as working units for the exploratory work program commitment
 - Use the integrated interpretation of seismic and 3D EM to more effectively de-risk exploration efforts and optimize development plans
- Greenland
- Gulf of Mexico (all of it)
 - Modern, regional data set
 - Bid round 2015
 - Multiple US GOM opportunities





PARTNERING FOR SUCCESS

JOINING THE CONVERSATION

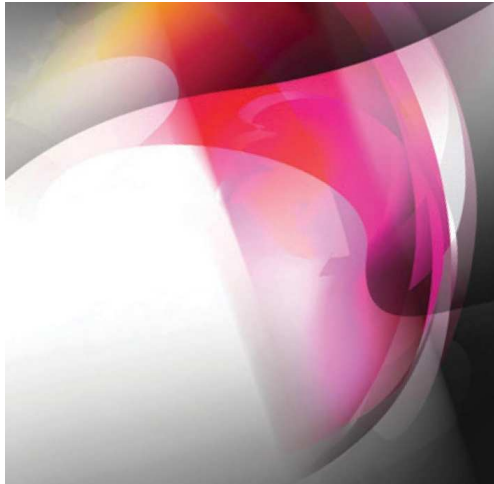
- Finding commercial oil and gas deposits isn't getting any easier
- Integrating resistivity data with other traditional exploration tool sets is helping
- Partnering and getting closer to the seismic players has many benefits
 - Brazil: Spectrum
 - GOM: Schlumberger
 - Barents: TGS, MCG
- Partnering with NOCs and Ministries
 - The multi-client model is a cooperation model
 - EMGS presents an experienced MC partner



SUMMARY

- Multi-client library development is one of the key strategies for EMGS
- Long-term value for Company
- Leads integration and partnering approach
 - Over \$1B in seismic MC investment in 2014





SUMMARY & CLOSING REMARKS

Roar Bekker, CEO

OUTLOOK

- Good contract coverage for 1H14
- Strong prefunding expected for MC projects in Norway, US and Canada
- Increased upside from late sales due to expansion and diversity of MC library
- Maintain full year 2014 revenue guiding of more than USD 200 million and return to profitable growth
- Long term growth potential intact – encouraging signs of accelerated adoption rate and market visibility



EMGS: A UNIQUELY POSITIONED INVESTMENT CASE

We have a unique platform for growth

- Stable operations and a scalable and flexible business model

Our leading technology adds value

- EM and seismic have complementary attributes - the combination enables customers to increase drilling success
- EM adds value in several steps of the E&P work flow

Multi-client is critical for increased adoption and good business

- Easier and low cost entry for new customers to test the EM data
- Create good showcases
- Good opportunities for partnerships with seismic players

We are enhancing our platform for growth with a more focused sales strategy

- Targeting strategic accounts and selected geographical areas
- Strengthening the sales organisation and aligning competence



APPENDIX

EXECUTIVE MANAGEMENT TEAM

Roar Bekker, CEO

- Schlumberger 1984-2007: Seismic operations, seismic processing, marketing and sales
- MsC in Geophysics
- Joined EMGS as COO in 2007
- CEO from 2009



Svein Knudsen, CFO

- PGS 1994-2005: VP Finance and Treasury
- Joined EMGS in 2005
- BSc in business and administration from Appalachian State University (ASU) in North Carolina



David Neser, COO & CTO

- Schlumberger 1990-2012: Operations, business development, sales and new product development.
- BSc in electrical engineering and MSc in IT
- Joined EMGS in May 2012



EXECUTIVE MANAGEMENT TEAM

Vincent Vieugue, EVP Sales & Marketing

- Roxar 2006-2013:
Vice President of Global Sales and Marketing
- M.Sc in Oceanography and in Geophysics from respectively Toulon and Strasbourg Universities in France.
- Joined EMGS January 2014



Ole Heggheim, EVP Strategic Development

- Aker Yards ASA (renamed to STX Europe ASA):
CFO, EVP Business Development
- PGS, VP Finance
- MBA from University of Texas and Cand. Mag from University of Bergen
- Joined EMGS January 2013

