



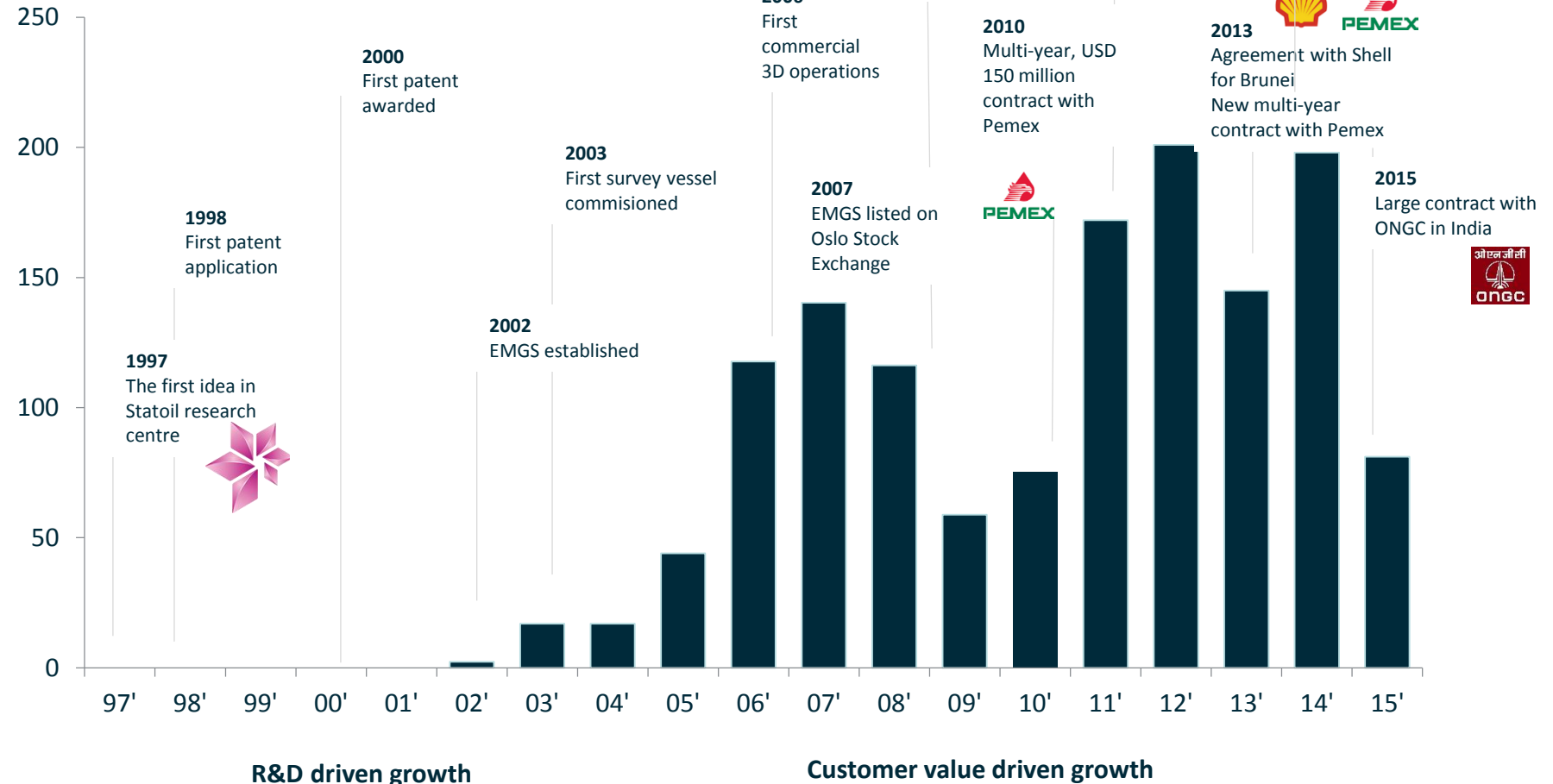
ELECTROMAGNETIC GEOSERVICES

DNB oil, offshore and shipping conference,
Oslo, March 2016

Spot the difference.

EMGS history and revenue development

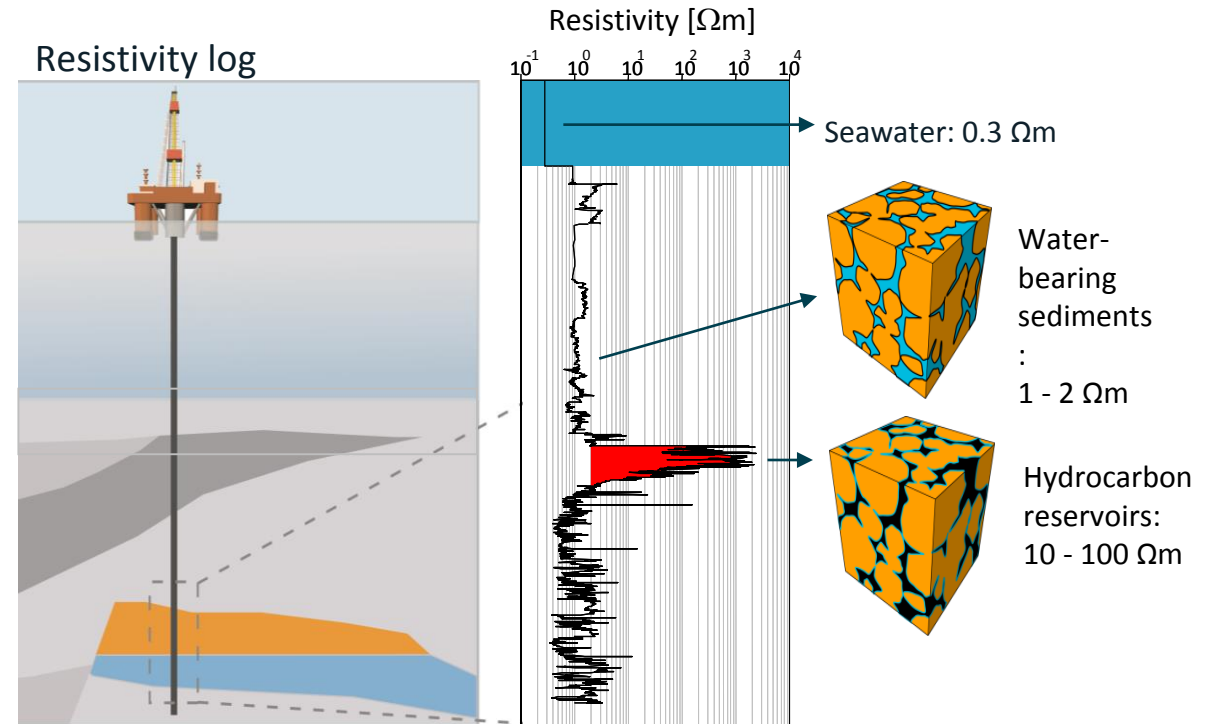
EMGS annual revenues (USD million)



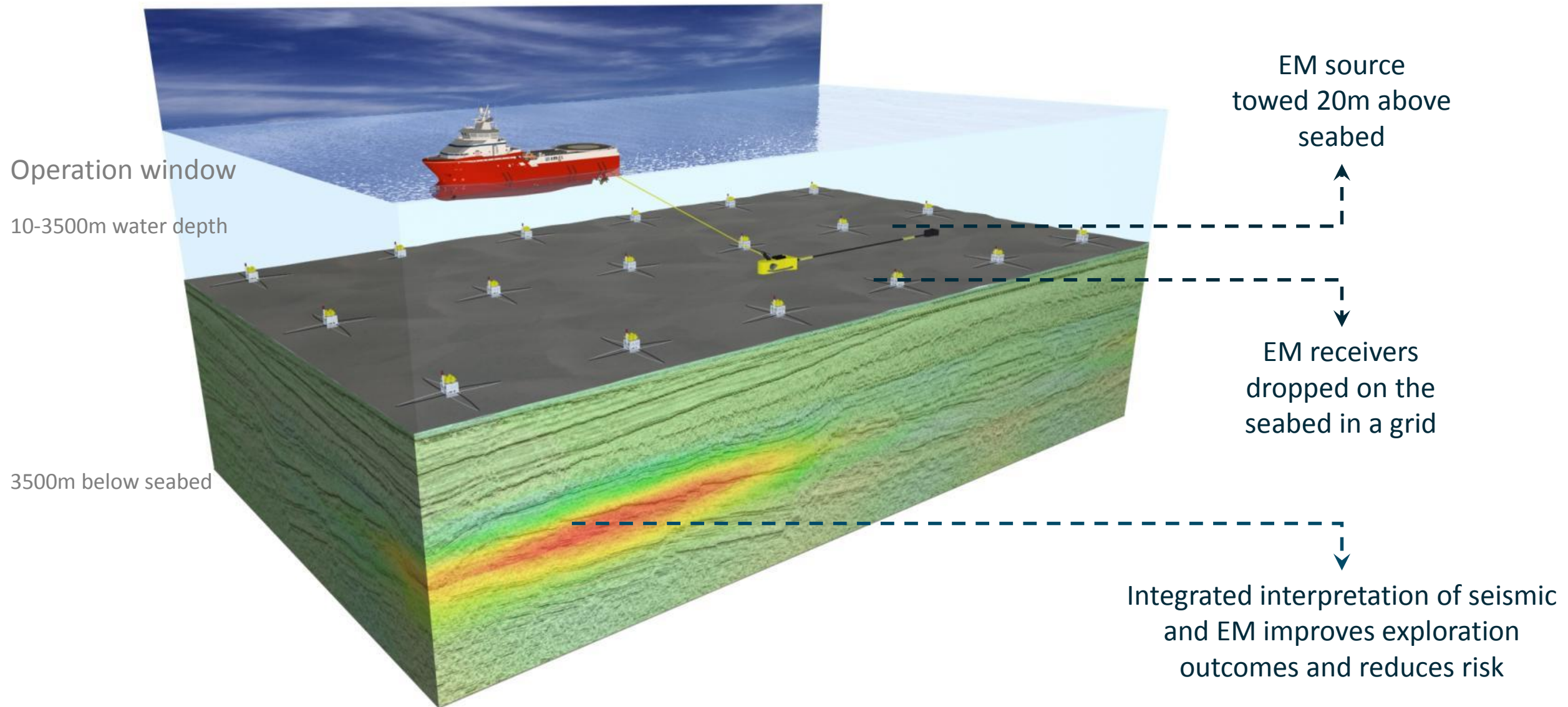
EMGS in brief

- EMGS is building the EM market
 - EM becoming an integrated part of the exploration workflow
 - EM considered in drill or drop decisions
- Proven 3D technology platform
 - Strong track-record in the Barents Sea, Mexico, India and Brazil
 - Opportunities to prove platform in US Gulf of Mexico
- Flexible business model
 - Asset-light: leased vessels, own equipment
 - Network of offices in Trondheim, Oslo, Houston, Kuala Lumpur, Rio de Janeiro, Villahermosa and Mumbai
- Revenue-generating models
 - Proprietary data acquisition
 - Multi-client data acquisition
 - Pre-funding, late sales and uplift
 - Consultancy and software

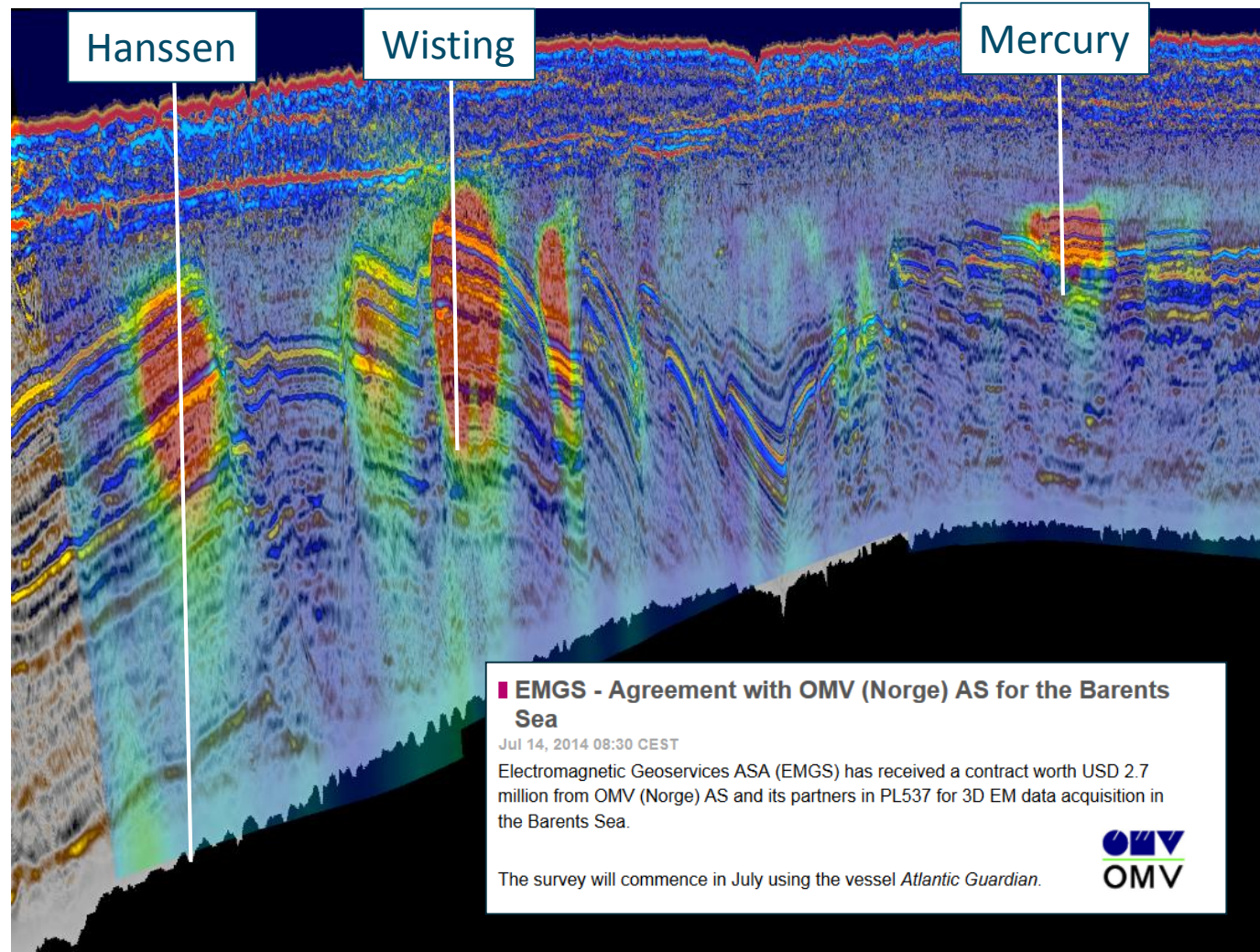
Electric resistivity has been used for centuries in well logs..



The EM product



Data example: Wisting/Hanssen/Mercury



Seismic image courtesy of TGS

News Release



Wisting Central well makes breakthrough oil discovery in Barents Sea offshore Norway

6 September 2013 – Tullow Oil plc (“Tullow”) announces that the Wisting Central exploration well (7324/8-1), offshore Norway, has made the first ever oil discovery in the Hoop-Maud Basin in the Barents Sea.

Results of drilling, wireline logs and samples of reservoir fluids show that the well has encountered 50-60 metres of net light oil pay in good quality relatively shallow Middle to Lower Jurassic reservoir rocks. Following evaluation of the results, further delineation of the discovery and exploration drilling in the licence will be required.

The well was drilled by the Leiv Eiriksson semi submersible rig and is located approximately 170 kilometres northeast of the Skrugard/Johan Castberg discovery well and 310 kilometres north of Hammerfest. The well was drilled to a total depth of approximately 905 metres in a water depth of 373 metres. Following significant data acquisition, the rig will move to drill the deeper and independent Kobbe prospect in the same production licence and will not appraise this shallower discovery.

The Wisting Central discovery is located in licence PLS37 in which Tullow has a 20% interest. OMV (Norge) are the operator with a 25% interest while Idemitsu (20%), Statoil (15%) and Petoro (20%) are also partners.

Angus McCoss, Exploration Director, Tullow Oil plc commented today,

“This is a major frontier light oil discovery for Norway, Tullow Oil and our coventurers. The Wisting Central wildcat well has opened the Hoop-Maud Basin by proving 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. We look forward to pursuing the exciting exploration and appraisal follow up arising from this breakthrough oil discovery.”

“The Wisting Central ...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*

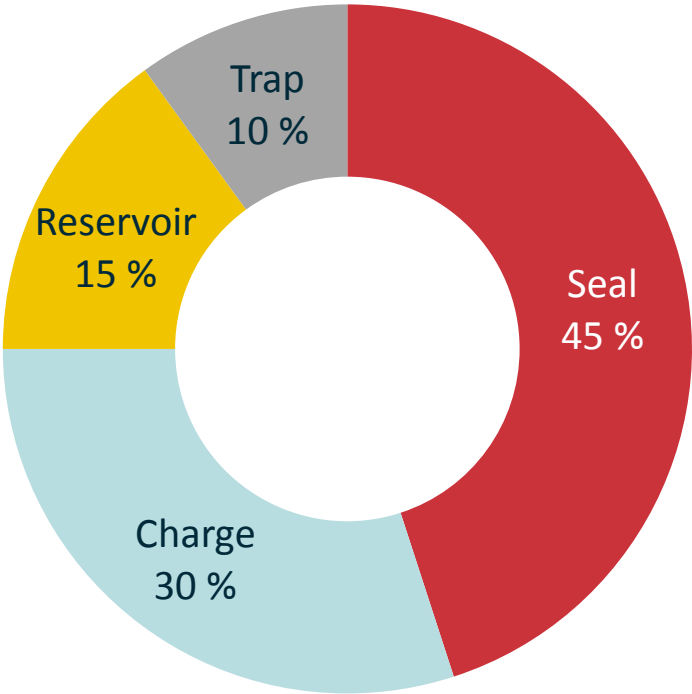
Why EM? – because exploration is difficult and failures outnumber success



of exploration wells fail to find commercial hydrocarbons

The primary reason for failure is lack of seal and charge:

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



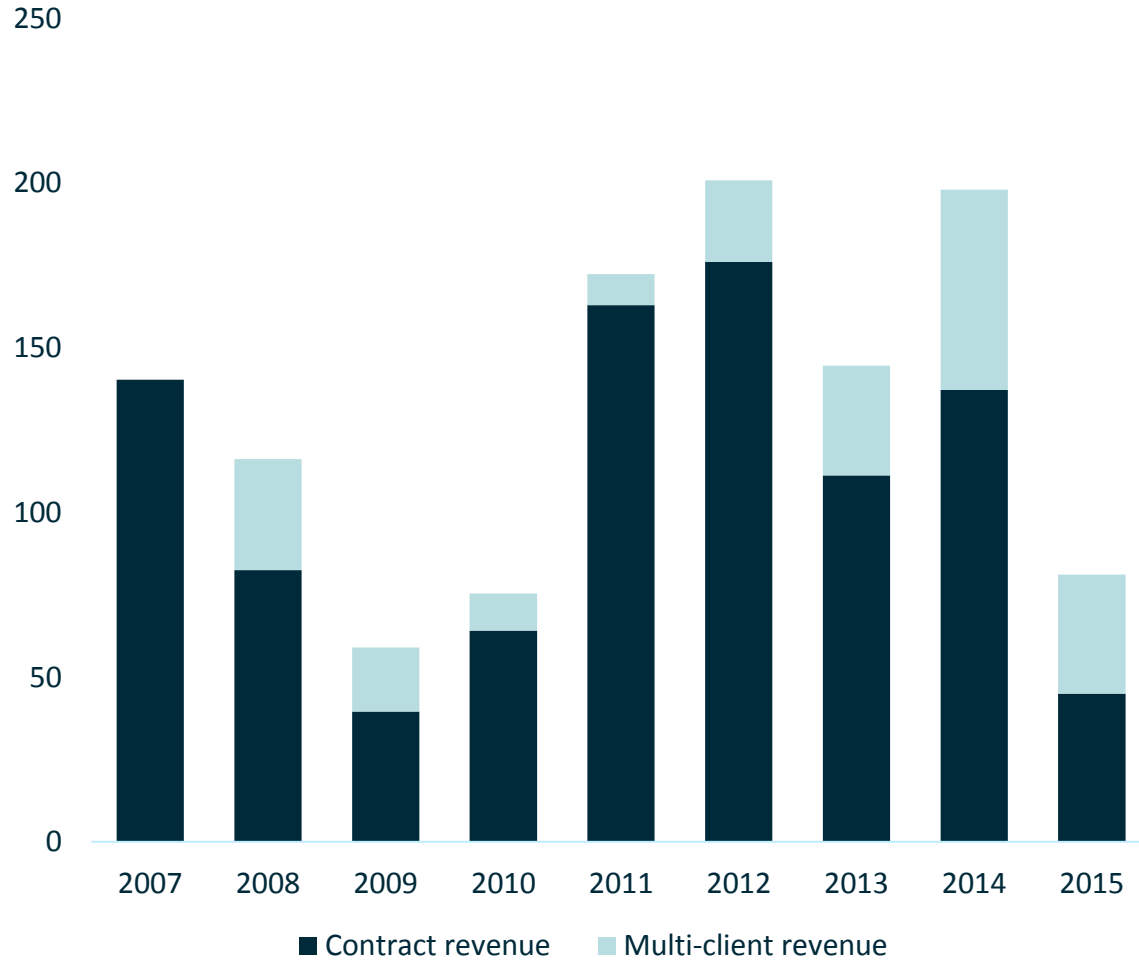


Performance and outlook

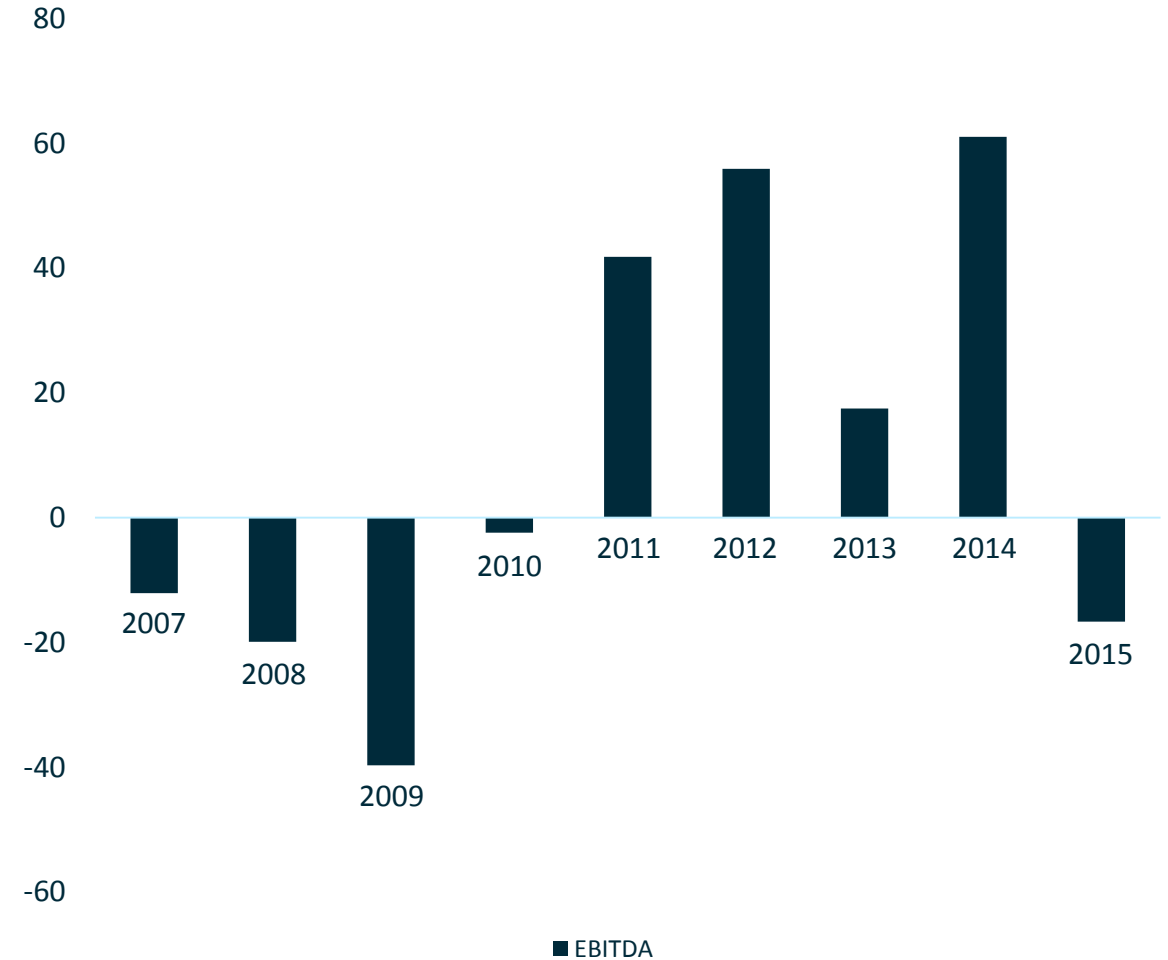
Spot the difference.

2015 key financials

Revenue development (USD million)



EBITDA development (USD million)



2015 restructuring program

Cost reductions

- Cost reductions implemented to bring cost base in line with expected activity level, with key elements
 - Freeze on new hires, consultants and agents
 - Reduction of fleet capacity from 4 to 2 vessels
 - Reduction in headcount
 - Renegotiated terms with suppliers/ sub-contractors
 - CAPEX reduced substantially to key R&D projects only
- Measures expected to have full effect from Q216
- Plan to cut cost to an annual level of USD 80-85 million

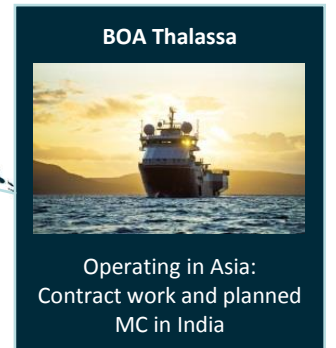
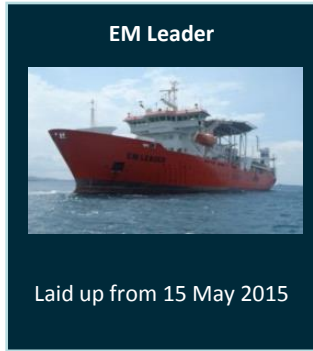
Equity Issue and amendments to Bond




- Completed equity issue in December 2015
- Provided USD 32 million in new equity
- USD 8 million used for partial bond buy-back @ 80% of par
- Bond loan reduced to NOK 270 million (USD 31 million)
- Bond maturity extended by 36 months
- Improves financial flexibility to weather the current downturn

Strategic multi-client library hubs



Vessel operations and planned activity



-  Planned and approved multi-client surveys
-  Planned projects, subject to pre-funding
-  Possible projects, under evaluation

Summary and outlook

- Solid track record and proven technology – reducing uncertainty in oil companies' portfolio decisions
- Growing multi-client libraries with key basins in Norway, Brazil, US GoM, Canada and Indonesia
- 2015 restructuring plan completed – positioning the Company in a challenging market
- Experience healthy technology interest although reduced E&P budgets
- 2016 operations focusing on Norway, India and Gulf of Mexico, with additional opportunities identified

SPOT THE DIFFERENCE.

Appendix

Income statement

(USD 1 000)	Q4 2015 Unaudited	Q4 2014 Unaudited	2015 Unaudited	2014 Audited
Operating revenues				
Contract sales	9 001	25 477	45 008	137 222
Multi-client pre-funding	-	5 152	3 546	13 140
Multi-client late sales	11 498	21 884	32 586	47 661
Total revenues	20 499	52 513	81 140	198 023
Operating expenses				
Charter hire, fuel and crew expenses	11 807	15 752	32 402	61 300
Employee expenses	11 227	12 744	44 826	55 172
Depreciation and ordinary amortisation	2 705	3 906	12 679	16 291
Multi-client amortisation	4 156	4 972	8 631	12 595
Impairment of long-term assets	8 569	-	31 344	2 003
Other operating expenses	5 461	7 393	20 607	22 534
Total operating expenses	43 925	44 767	150 489	169 895
Operating profit/ (loss)	(23 426)	7 746	(69 349)	28 128
Financial income and expenses				
Interest income	28	36	352	687
Interest expense	(1 014)	(1 182)	(4 055)	(5 926)
Change in fair value of conversion rights	-	-	-	(210)
Net gains/(losses) of financial assets and liabilities	795	-	(4 106)	416
Net foreign currency income/(loss)	1 526	6 578	4 155	8 121
Net financial items	1 335	5 432	(3 654)	3 088
Income/ (loss) before income taxes	(22 091)	13 178	(73 003)	31 216
Income tax expense	2 027	58	3 712	5 330
Income/ (loss) for the period	(24 118)	13 120	(76 715)	25 886

Financial position





(USD 1 000)	31 December 2015	31 December 2014
	Unaudited	Audited
ASSETS		
Non-current assets		
Goodwill	-	14 422
Deferred tax asset	-	3 008
Multi-client library	42 267	33 758
Other intangible assets	3 703	3 220
Property, plant and equipment	16 773	19 247
Assets under construction	26 566	31 164
Financial assets	1 387	4 766
Total non-current assets	90 696	109 585
Current assets		
Spare parts, fuel, anchors and batteries	11 754	14 906
Trade receivables	18 580	65 531
Other receivables	5 665	14 730
Cash and cash equivalents	31 749	25 213
Restricted cash	6 680	5 319
Total current assets	74 428	125 699
Total assets	165 124	235 284

(USD 1 000)	31 December 2015	31 December 2014
	Unaudited	Audited
EQUITY		
Capital and reserves attributable to equity holders		
Share capital, share premium and other paid-in equity	319 038	287 398
Other reserves	(6 416)	(3 227)
Retained earnings	(234 652)	(157 937)
Total equity	77 970	126 234
LIABILITIES		
Non-current liabilities		
Provisions	17 371	15 299
Borrowings	30 848	46 859
Total non-current liabilities	48 219	62 158
Current liabilities		
Trade payables	10 439	13 362
Current tax liabilities	5 257	4 573
Other short term liabilities	16 243	27 270
Financial liabilities	6 326	-
Borrowings	670	1 687
Total current liabilities	38 935	46 892
Total liabilities	87 154	109 050
Total equity and liabilities	165 124	235 284

Largest shareholders as of 8 February

	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC.	313,769,927	23.92
2	PERESTROIKA AS	279,754,256	21.33
3	MORGAN STANLEY & CO. LLC	180,317,908	13.75
4	ODIN ENERGI	66,876,622	5.10
5	ODIN NORGE	53,307,963	4.06
6	STATOIL PENSJON	30,000,098	2.29
7	BÆKKELAGET HOLDING AS	25,050,000	1.91
8	SPORTSMAGASINET AS	17,586,683	1.34
9	NHO - P665AK	16,179,319	1.23
10	KRISTIAN FALNES AS	16,000,000	1.22
11	DNB NAVIGATOR (II)	13,717,253	1.05
12	J&J INVESTMENT AS	10,700,000	0.82
13	NORTHERN TRUST GSL CL AC	9,849,780	0.75
14	STATOIL FORSIKRING A.S	7,330,567	0.56
15	COLOR GROUP AS	6,566,520	0.50
16	FLATHOLMEN AS	5,480,000	0.42
17	CARNEGIE AS EGENHANDELSKONTO	5,288,346	0.40
18	TIGERSTADEN AS	5,000,000	0.38
19	FALNES OLAV KRISTIAN	4,800,000	0.37
20	CIPILAMP UCITS SWEDBANK SMB	4,596,564	0.35

Vessel charters

	BOA Thalassa	BOA Galatea	Atlantic Guardian	EM Leader
				
Firm Charter	1 April 2017	Delivered back to vessel owner in mid-January	18 December 2017	8 December 2016
Current status	In operation, Asia		Idle	Laid up
Vessel owner	BOA Offshore	BOA Offshore	North Sea Shipping	Seatrans
Rates	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up		Fixed	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up