

# EMGS ASA

## First quarter result 2008

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*Hotel Continental*  
15 May 2008

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# Group highlights Q1

USD 10 million contract with Hess

Corporation

– new client in customer portfolio

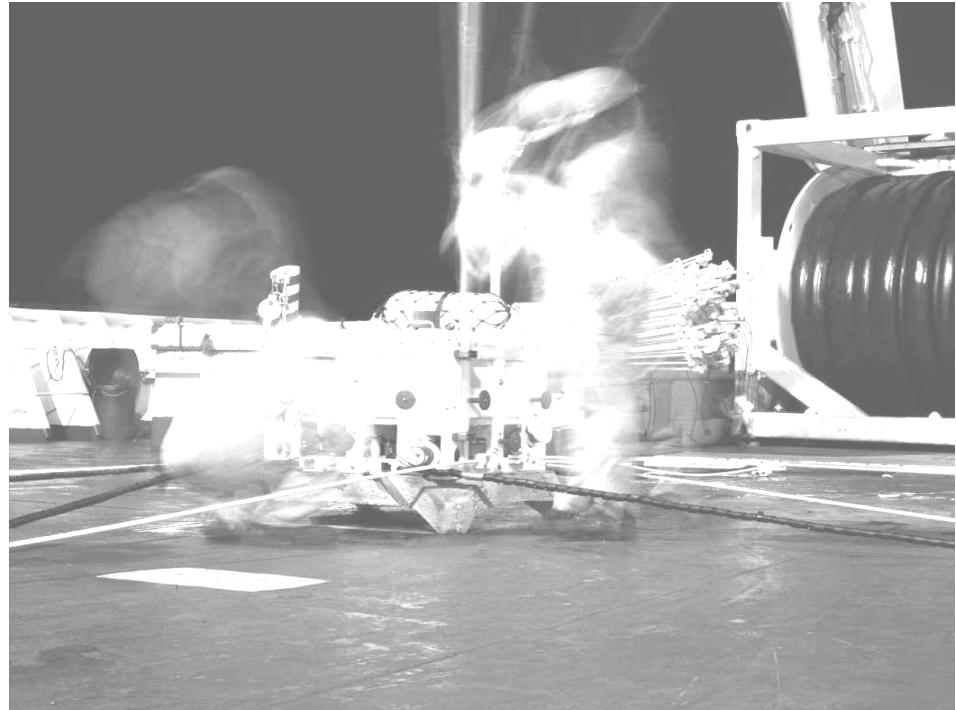
Extension of contract with PEMEX

– new client in end of 2007

Successful verification of scanning  
product at Troll field

Completion of multiclient EM  
scanning survey offshore India

Favorable court ruling in Dutch patent  
dispute after end of quarter

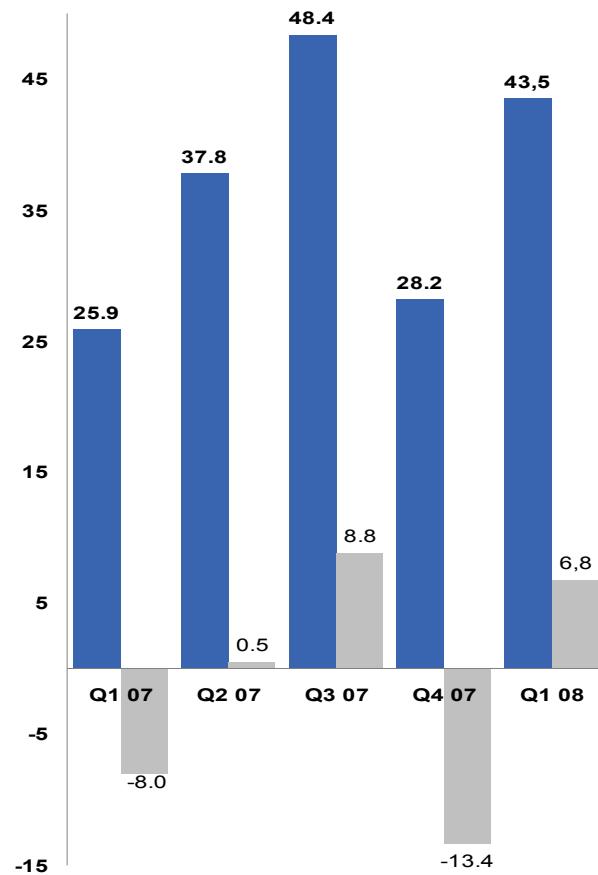


# Financials

A black and white photograph of a modern building facade. The building has a light-colored, textured surface. A large, square window is positioned near the top left, containing a stylized four-pointed cross or asterisk shape. Below the window, a person wearing a dark jacket and a light-colored scarf walks past the building. The foreground is slightly blurred, creating a sense of motion. In the background, other parts of the building and some foliage are visible.

# Financial highlights

USD million



Promising start and increase in revenue and EBITDA

USD 2.5 million booked on Brazil campaign from 2007

Strong growth in scanning and introduction of multiclient generate new markets

On track for profitable financial year 2008

# Consolidated income statement

USD million	Quarterly		Full year	
	Q1 2008	Q1 2007	2007	2006
<b>Revenues</b>	<b>43.5</b>	<b>25.9</b>	<b>140.3</b>	<b>117.7</b>
Charter hire, fuel and crew expenses	20.1	18.8	93.8	62.7
Employee expenses	10.2	11.1	32.9	18.2
Other operating expenses	6.3	3.9	25.7	16.2
<b>EBITDA *)</b>	<b>6.8</b>	<b>(8.0)</b>	<b>(12.1)</b>	<b>20.7</b>
Depreciation and ordinary amortisation	4.9	2.6	13.5	7.5
Multiclient amortisation	3.3			
<b>EBIT</b>	<b>(1.4)</b>	<b>(10.6)</b>	<b>(25.6)</b>	<b>13.2</b>
Net financial items	(1.8)	(1.0)	(2.0)	(32.8)
<b>Profit (loss) before tax</b>	<b>(3.2)</b>	<b>(12.3)</b>	<b>(27.6)</b>	<b>(19.6)</b>
Tax	1.3	0.7	3.4	5.6
<b>Net profit (loss)</b>	<b>(4.5)</b>	<b>(12.3)</b>	<b>(31.0)</b>	<b>(25.3)</b>
<b>EBITDA</b>	<b>6.8</b>			
<b>Multiclient investment</b>	<b>3.3</b>			
<b>Adjusted EBITDA</b>	<b>3.5</b>			

# Operations



# Operational highlights

Increase in vessel utilization

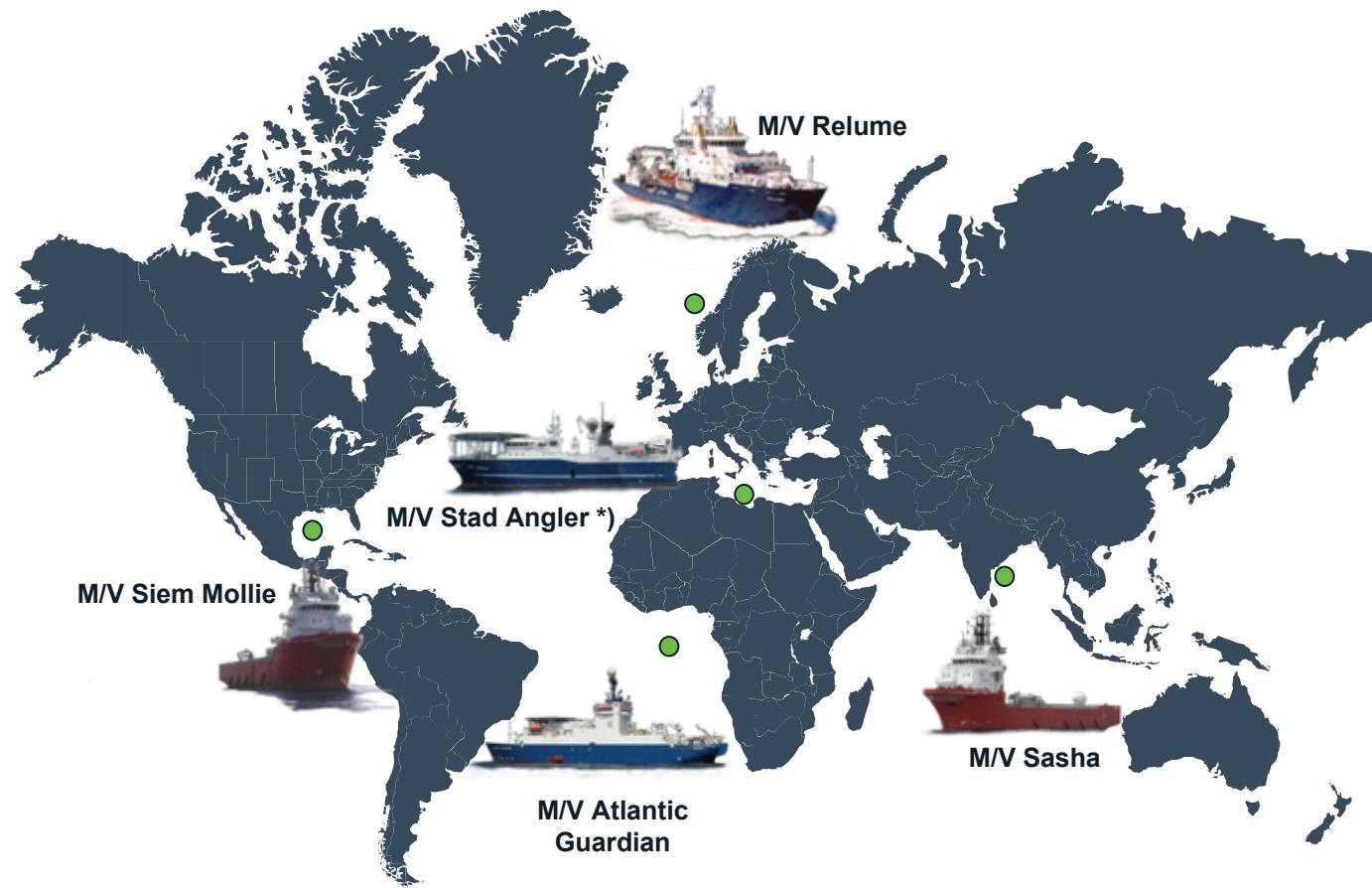
A good multiclient scanning project secured and completed in India

Third consecutive survey for super major

Ten times computer power secured in March



# Q1 fleet operations



\*) Charter extended to October

# Market



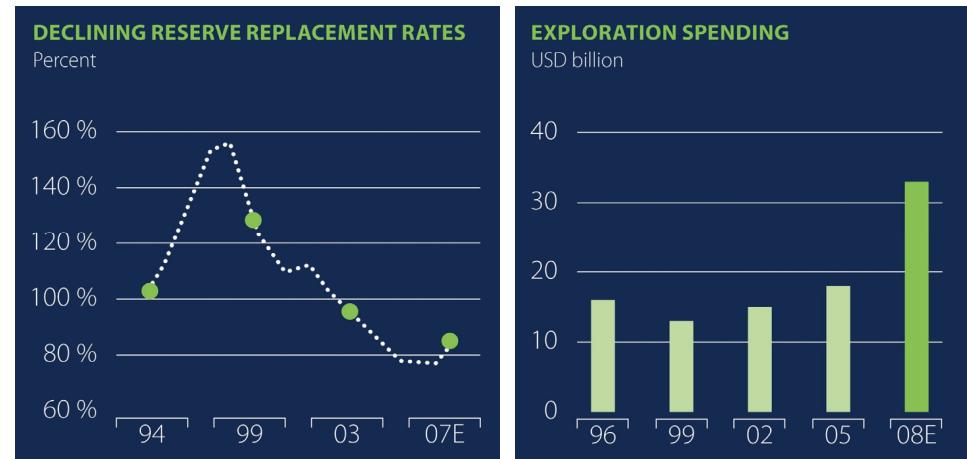
# Strong industry fundamentals

High oil price and declining reserve replacement ratio drives exploration spending

Longer and stronger cycle in the seismic industry

Oil companies more open to use of new technology

Full awareness of EM and acceptance is picking up



Source: SEB, Arkwright

EMGS is in a strong competitive position to capitalize on strong industry outlook

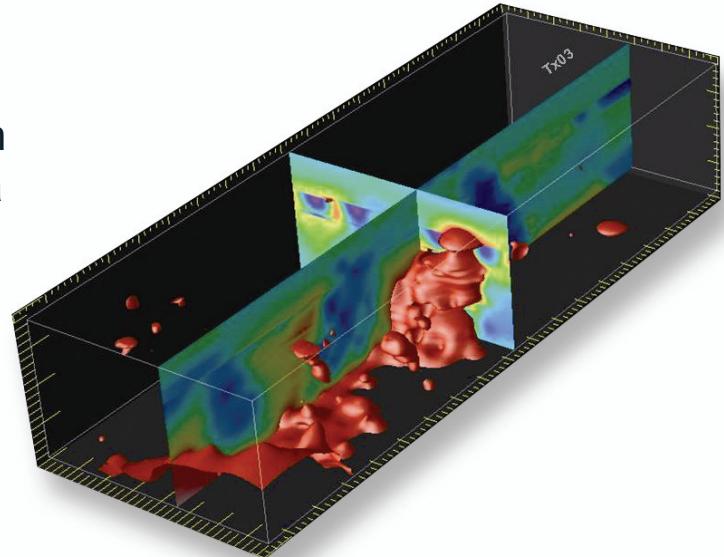
# India's 7th New Exploration Licencing Policy round (NELP7)

Multiclient scanning survey ahead of NELP7

Pre-funded survey performed in cooperation with  
Directorate General of Hydrocarbons in India

India's biggest auction of offshore blocks

The auction is postponed – risk of further delays



EMGS sees additional upside due to later start-up of NELP7

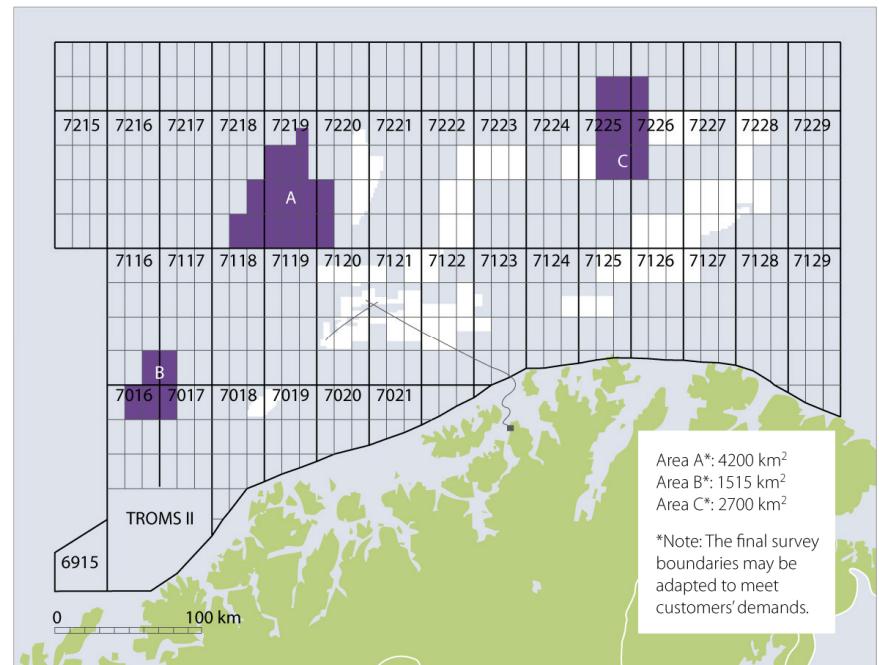
# Multiclient EM survey in the Barents Sea

A milestone scanning survey ahead of the Norwegian 20th exploration licencing round

The survey is fully pre-funded and covers 3,000 km<sup>2</sup> – may be expanded

Scanning data gives competitive advantage during the licensing round

Target oil companies' exploration resources more effectively following a successful bid

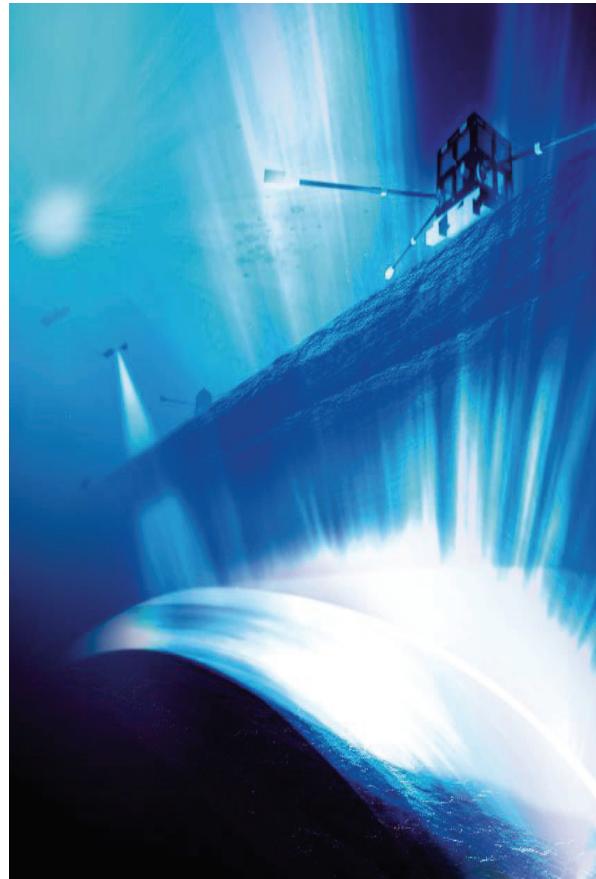


EMGS sees a huge potential for scanning in the Norwegian Sea and the Barents Sea

# Strategy



# Strong focus on triple A



Full **AWARENESS** of EM technology



EM imaging cited as being a valid technology with growing significance in customer interviews

Level of **ACCEPTANCE** continues to rise



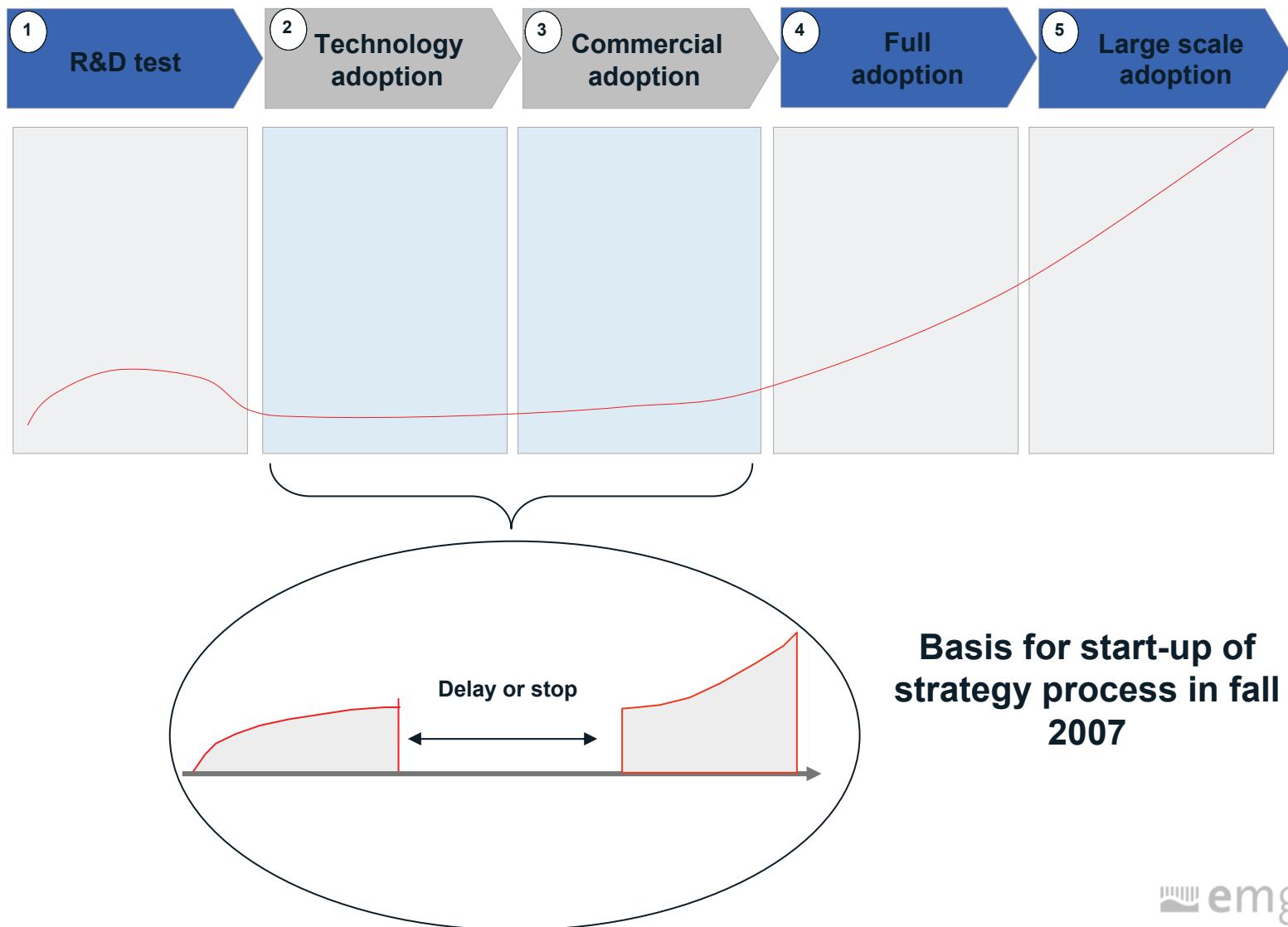
Completion of the world's largest mult-client EM scanning survey offshore India (prefunded)

Repeat business is a clear sign of increasing **ADOPTION**

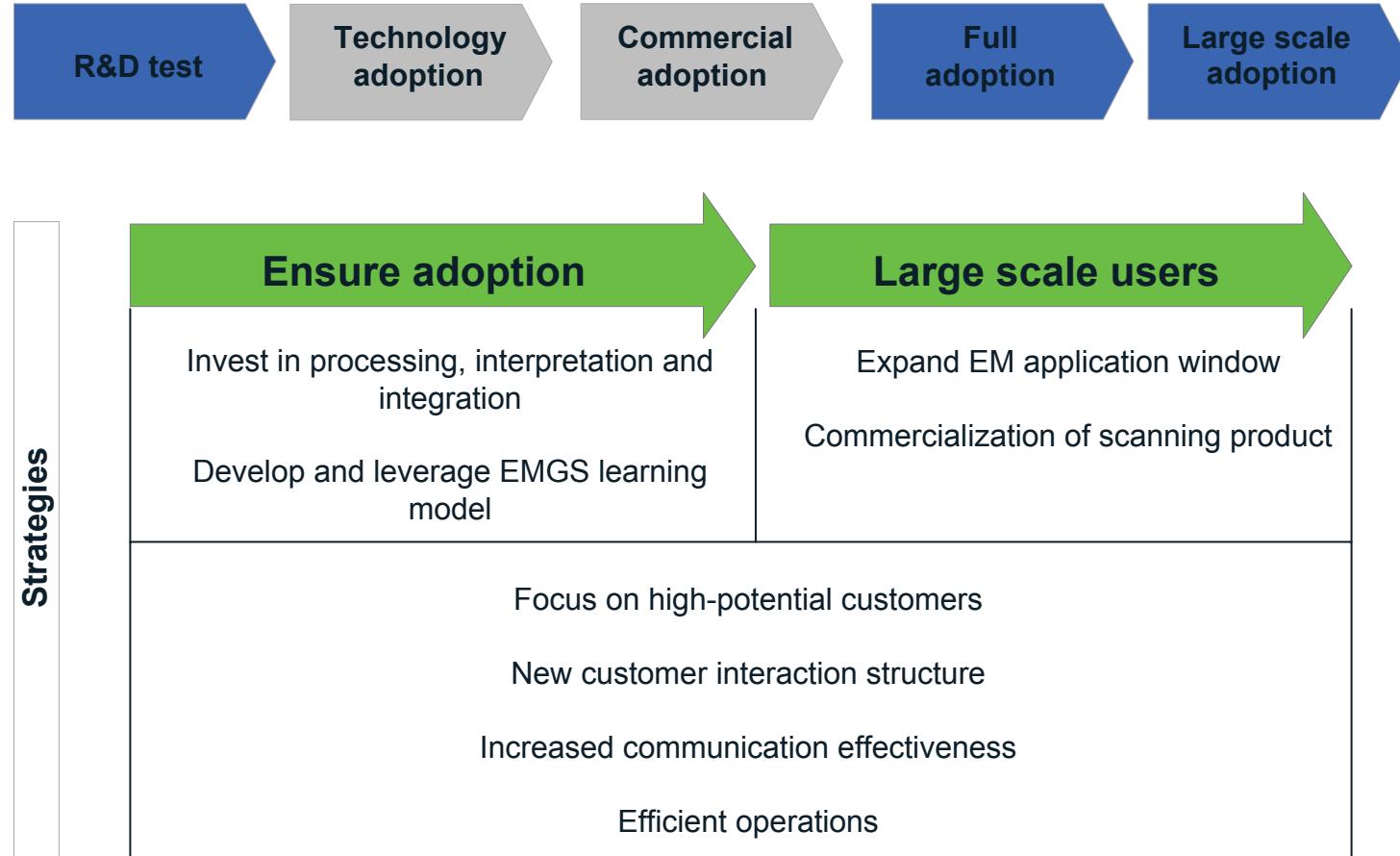


Increasing number of commercial surveys and the level of technological surveys is down

# Crossing the chasm

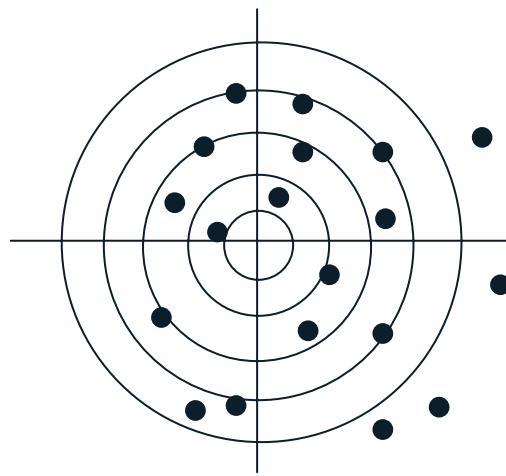
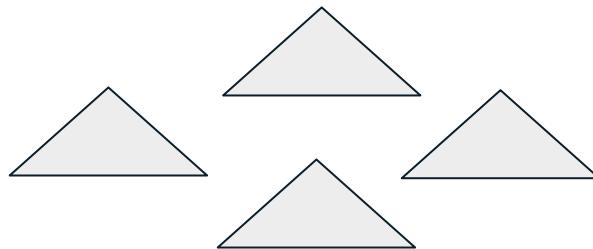


# Ensuring adoption and creating large scale users

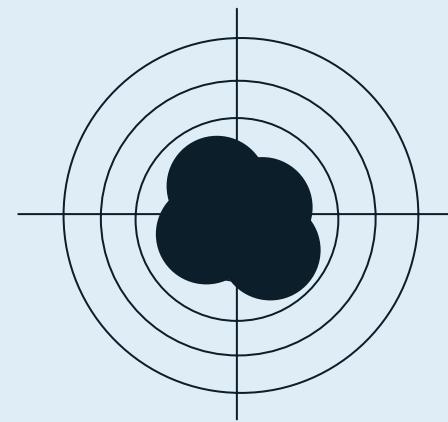
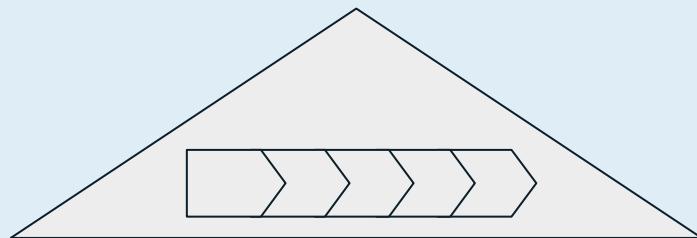


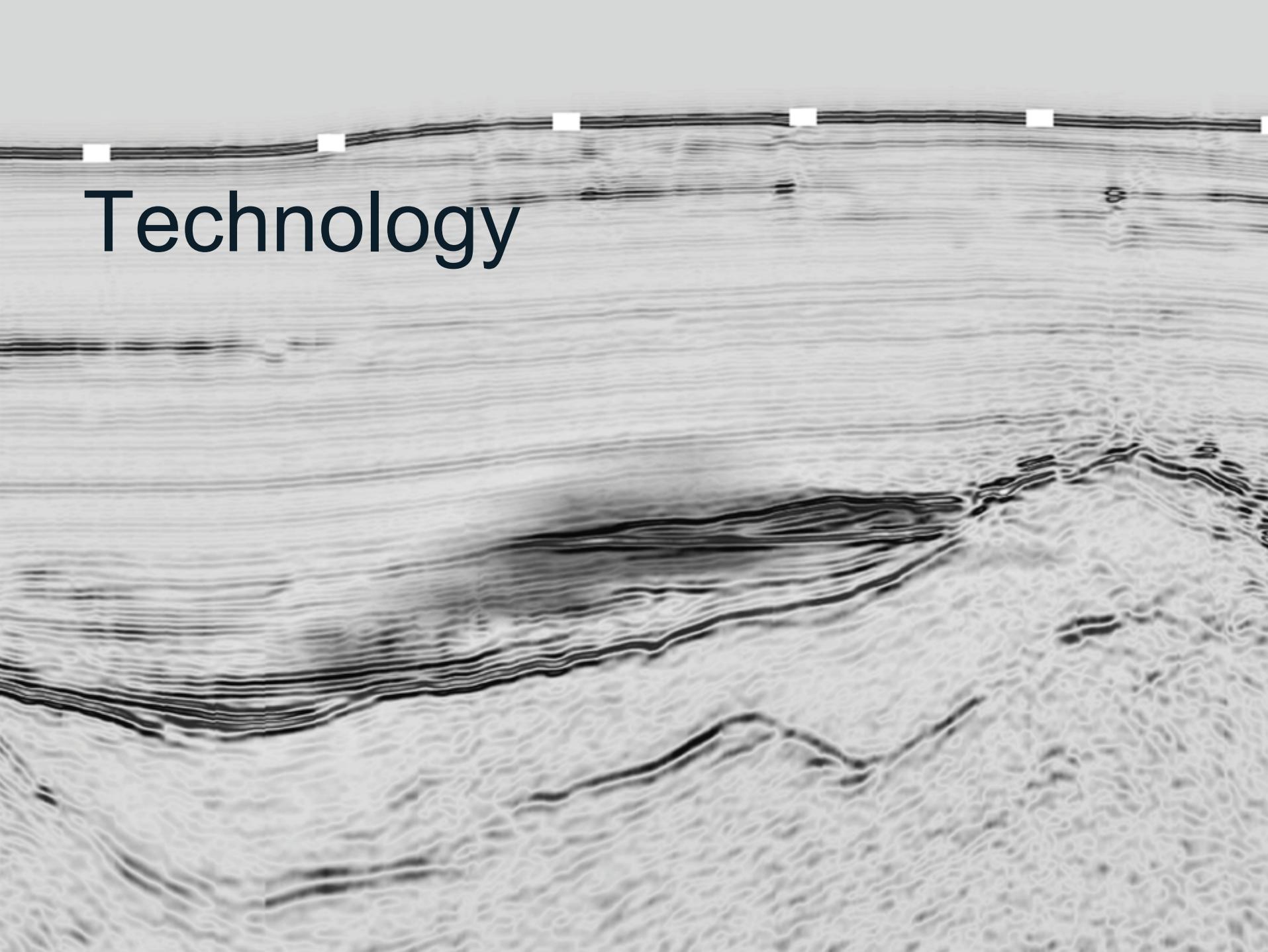
# Overall goal: More focused and integrated

**Current model:**  
“Opportunistic, Flexible”



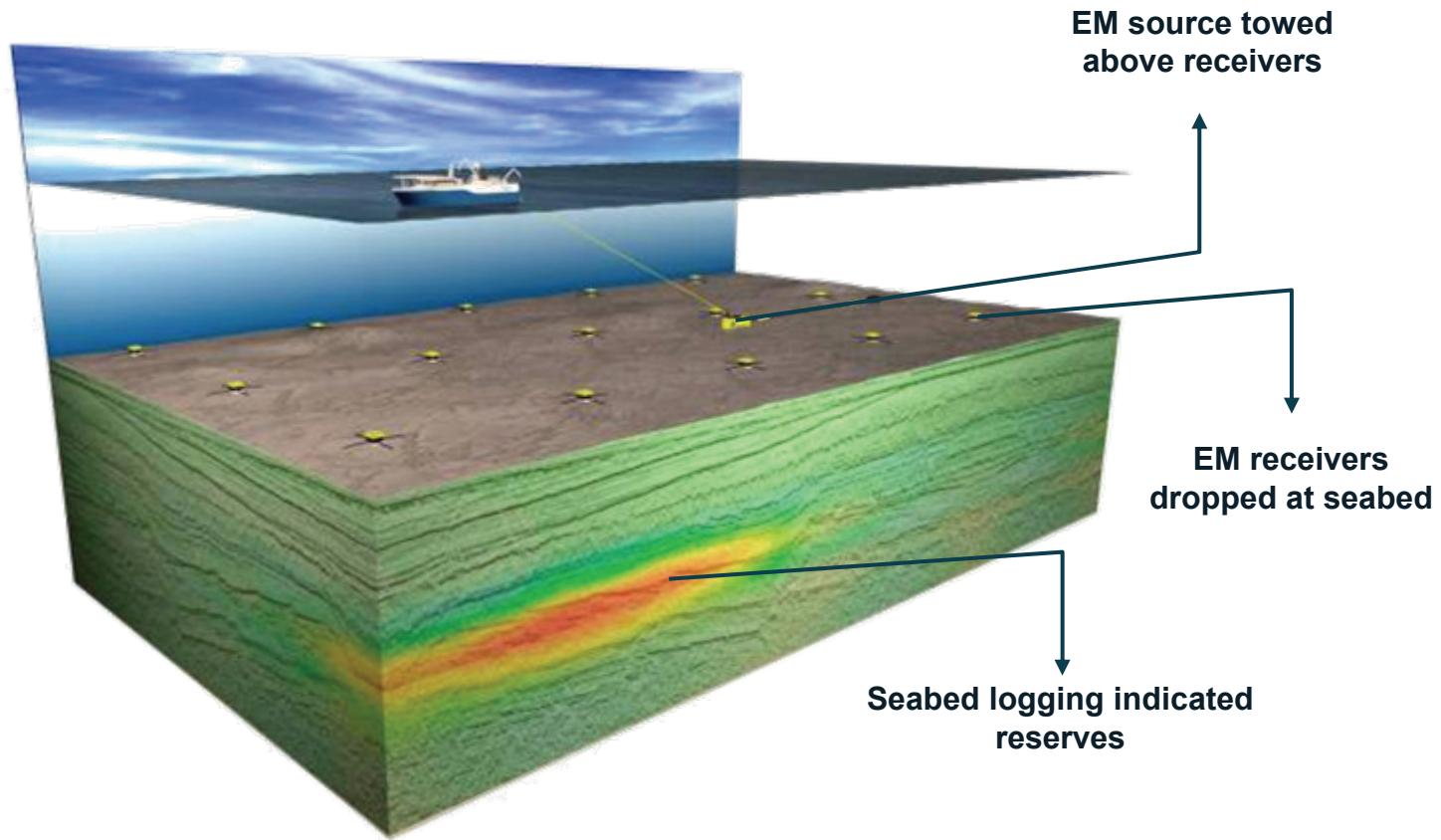
**Future model:**  
“Focused, Integrated”





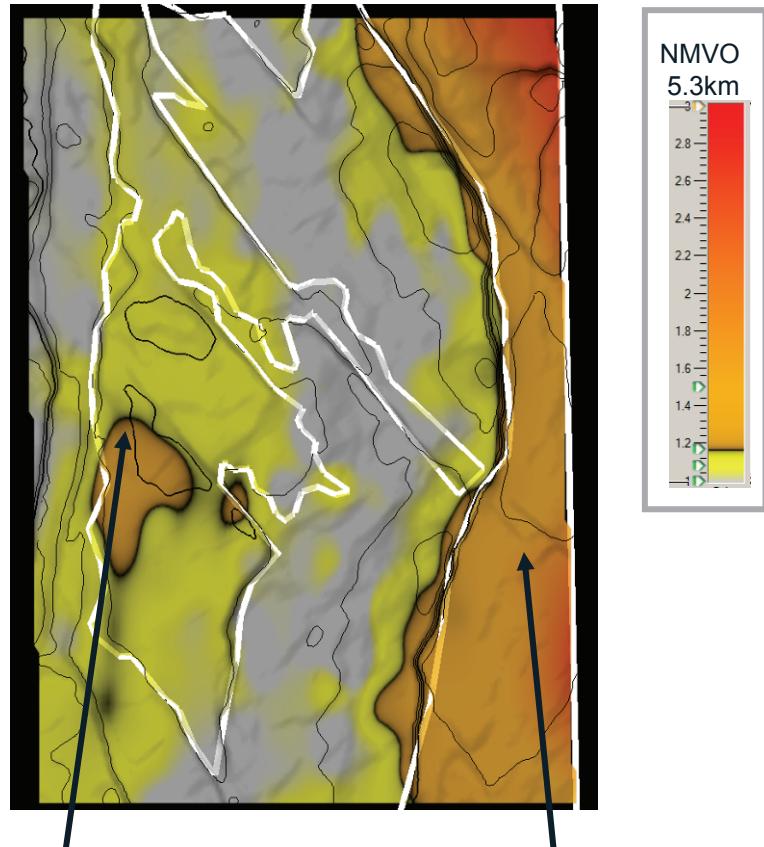
# Technology

# The pioneer and world leader in the EM market



EMGS uses EM technology to improve offshore exploration success

# Troll field, Norway: Proof of 3D and scanning concepts



Troll Western Oil  
Province

Troll Western Gas  
Province

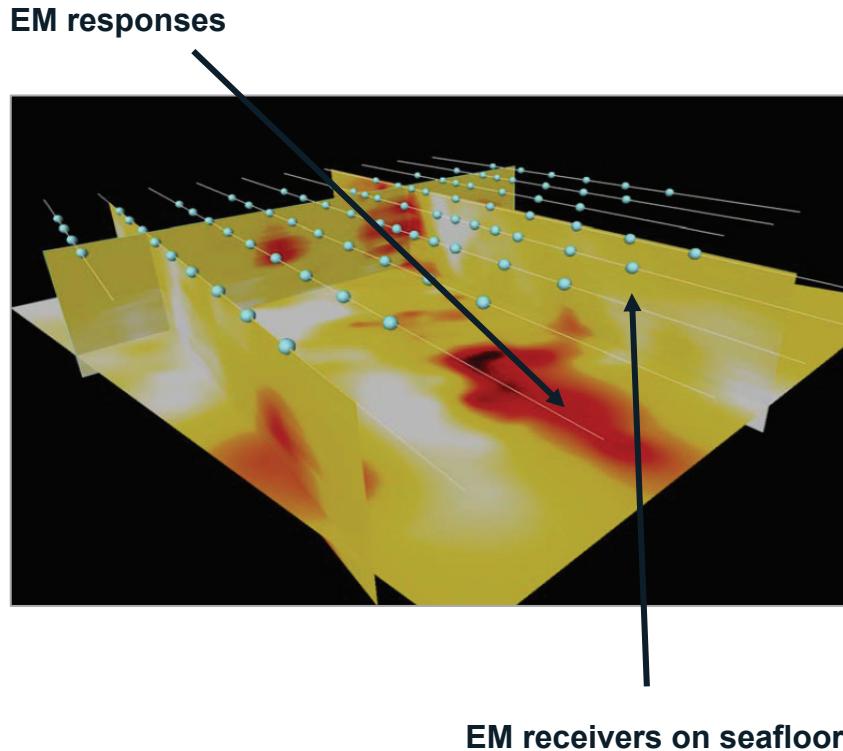
EMGS has performed a series of advanced EM trials on the Troll field

One of the objectives was to test 3D and scanning

The EM responses matches both the seismic outlines and the well results

The clear EM response shows the improved ability to map hydrocarbon reservoirs with 3D and scanning compared to traditional 2D line

# Gippsland Basin, Australia: Proof of scanning concept



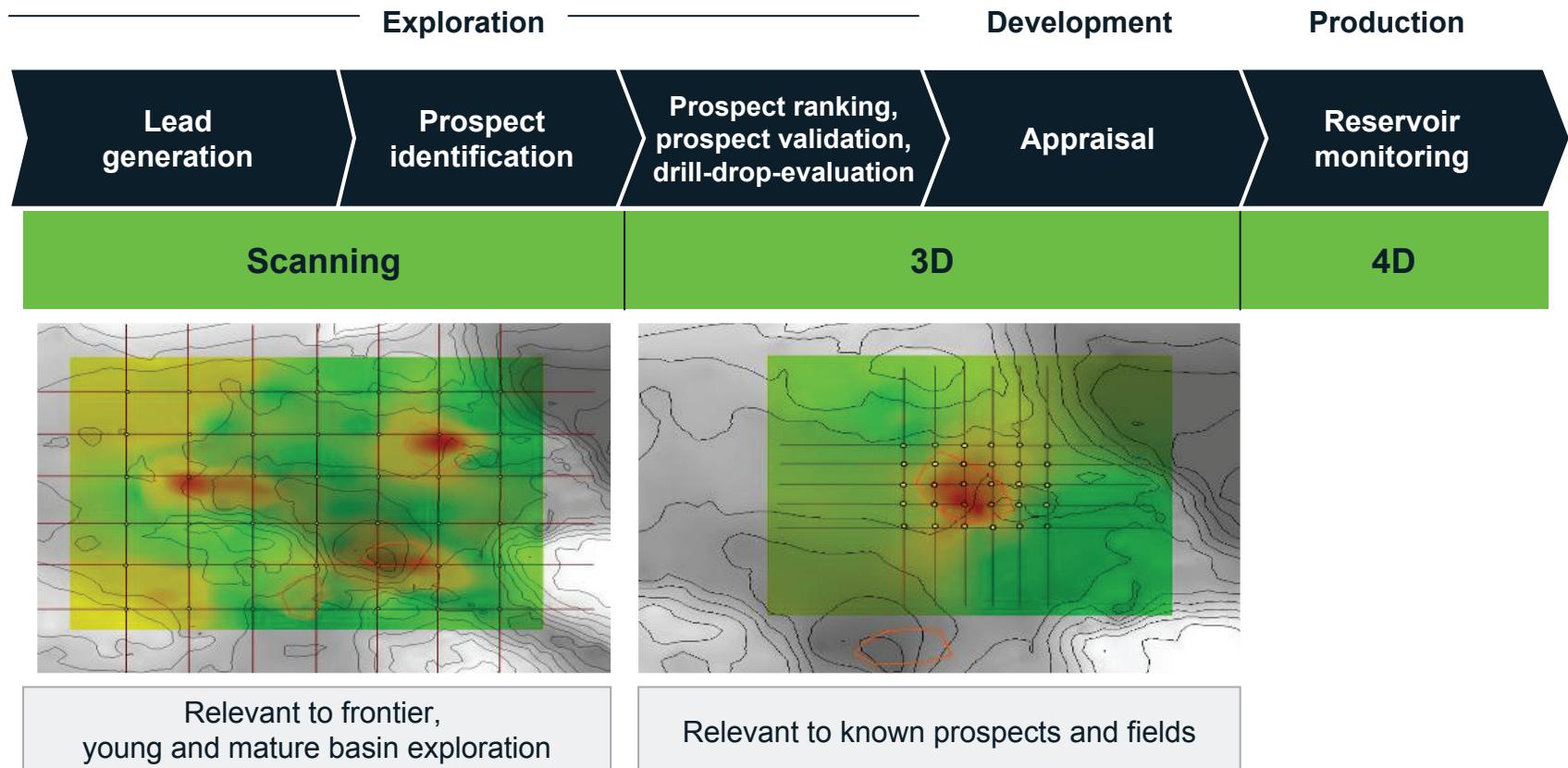
EMGS has conducted a series of scanning projects over the last years

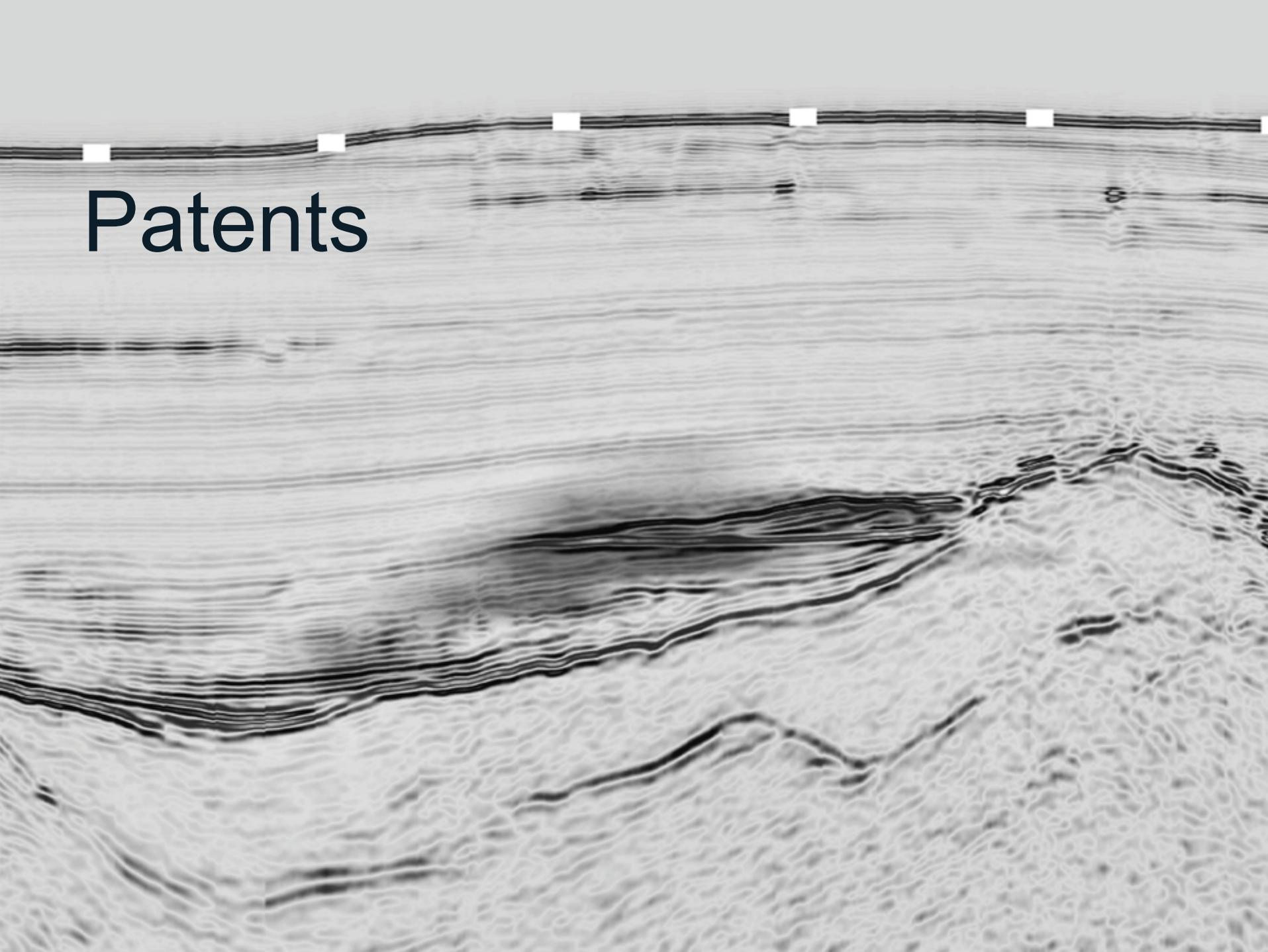
Scanning uses a sparse, wide-azimuth geometry

Results show EM responses over a large area, typically one or several blocks

Scanning is very suitable for exploration and licensing strategy in both frontier areas and more mature areas

# Promising interest in new products





Patents

# Dutch patent dispute decision

On April 16 the Dutch patent court confirmed:

- 1.) EMGS was the first company to use EM technology
- 2.) EMGS can assert its patent position
- 3.) EMGS can invoke its patents against third parties

The court ruling is not a final decision

A final decision will by the European Patent Office  
expected in 3-4 years



EMGS will continually protect its patent position in the interest of its shareholders

# Summary

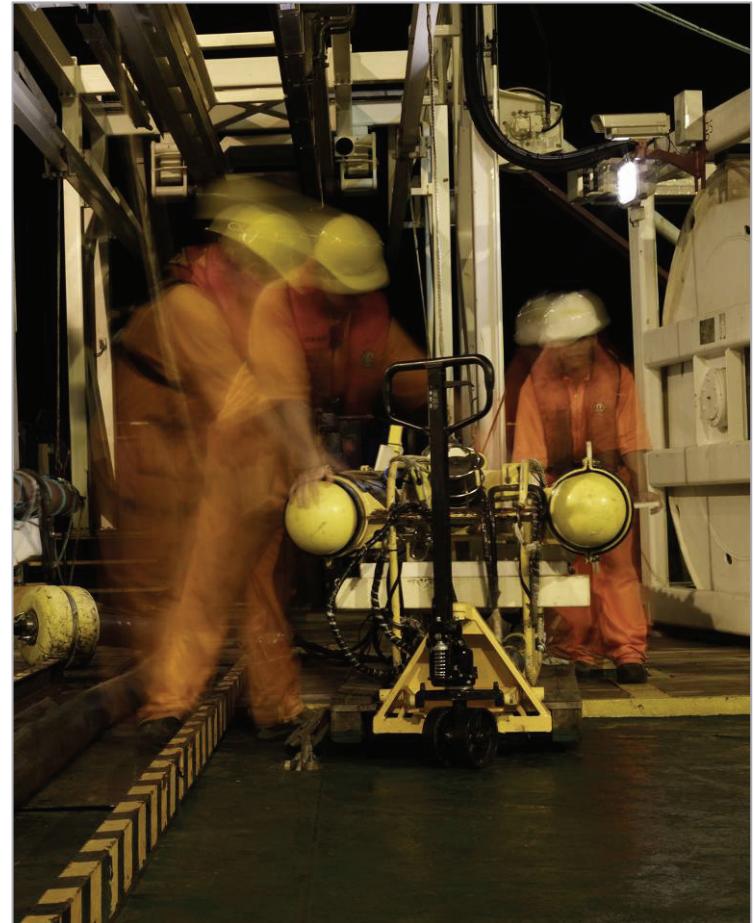
First quarter provides good momentum  
into 2008

Scanning product and multiclient services  
have opened up new markets

Scanning constitutes a large portion of  
sales in Q1

Adoption of EM technology is picking up

Strategy ready and detailed action  
plans laid



# Outlook

Scanning market is expected to grow rapidly

Multiclient services also expected to grow

Expects further patent challenges following the Dutch patent dispute decision

Maintain focus on building market further and on profitable growth in financial year 2008



# Q & A

# Appendix

# Condensed statement of cash flow

USD million

	First quarter	
	2008	2007
<b>Net cash flow from operating activities</b>	(10.8)	(3.0)
<b>Net cash flow from investing activities</b>	(5.9)	(4.1)
<b>Net cash flow from financial activities</b>	3.9	(0.6)
<b>Net profit (loss)</b>	(4.5)	(12.3)

# Condensed balance sheet

USD million

	First quarter 31 March 2008	First quarter 31 March 2007
<b>ASSETS</b>		
Cash and cash equivalents	27.9	12.8
Trade receivables	53.1	24.3
Other current assets	28.7	138.7
<b>Total current assets</b>	<b>109.7</b>	<b>175.8</b>
Intangible assets	3.5	2.3
Property, plant and equipment	51.5	25.3
Other non-current assets	13.0	-
<b>Total non-current assets</b>	<b>68.0</b>	<b>27.7</b>
<b>TOTAL ASSETS</b>	<b>177.7</b>	<b>203.4</b>
<b>LIABILITIES</b>		
Trade payables	35.4	24.0
Borrowings	17.3	30.7
Current tax liability	6.0	5.0
Other short term liabilities	12.7	15.5
<b>Total current liabilities</b>	<b>71.4</b>	<b>58.7</b>
<b>Total non-current liabilities</b>	<b>7.6</b>	<b>24.9</b>
<b>TOTAL LIABILITIES</b>	<b>79.0</b>	<b>83.7</b>
<b>EQUITY</b>		
<b>Total equity</b>	<b>98.7</b>	<b>119.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>177.7</b>	<b>203.4</b>

# Current fleet



	M/S Sasha	Stad Angler	OSV Relume	M/V Atlantic Guardian	M/S Siem Mollie
Date of refurbishment	January 2007	January 2007	August 2006	February 2007	August 2007
Charter expiration	March 2010	October 2008	August 2008	January 2011	August 2010

# Patent status

## Current patent portfolio includes:

- Over 180 cases
- 19 patent families
- 70 patents granted or applications accepted for grant

EMGS has revoked or surrendered a number of patents throughout the years and expects to do so

The portfolio relates primarily to the method. Equipment and interpretation tools are trade secrets



Some patents are being challenged. So far all have been successfully defended

# Ownership (as of April 18)

	Shareholder	Shares	Holding
1	WARBURG PINCUS	46,307,312	62.31%
2	STATE STREET BANK AND TRUST CO.	2,033,237	2.74%
3	JPMORGAN CHASE BANK	1,820,700	2.45%
4	UBS AG, London branch	1,773,400	2.39%
5	BJARTE BRUHEIM	1,715,302	2.31%
6	MORGAN STANLEY & CO INC	1, 622,564	2.18%
7	JPMORGAN CHASE BANK	1,129,200	1.52%
8	BANK OF NEW YORK, Brussel branch	1,084,900	1.46%
9	LBPB NOMINEES LTD.	954,096	1.28%
10	JP MORGAN CHASE BANK	934,894	1.26%
11	TERJE EIDESCMO	854,214	1.15%
12	SVEIN ELLINGSRUD	840,214	1.13%
13	STOREBRAND LIVSFORSIKRING	687,170	0.92%
14	STÅLE EMIL JOHANSEN	576,214	0.78%
15	ERIK SKOGEN	472,881	0.64%