



# EMGS ASA FIRST QUARTER PRESENTATION 2009

Acting CEO, Roar Bekker  
CFO, Svein Knudsen  
Hotel Continental, 14 May 2009



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## OVERVIEW

Q1 09 financial results

- Revenues: USD 5.8 million
- EBITDA loss: USD 17.6 million

Strategic review initiated

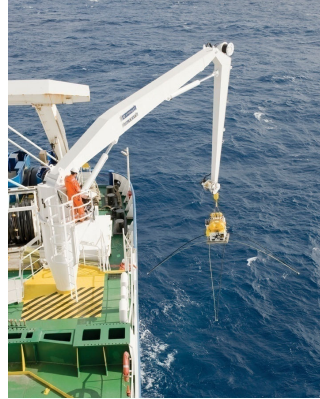
Global frame agreement with Shell

Substantial contracts awarded  
by supermajors

Uplift revenues in excess of USD 10 million  
from the Barents Sea multi-client campaign

Strategic alliance with Fugro

Organisational restructuring and workforce  
reduction



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## FINANCIALS



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## FINANCIAL HIGHLIGHTS

### Q1 09 financial results

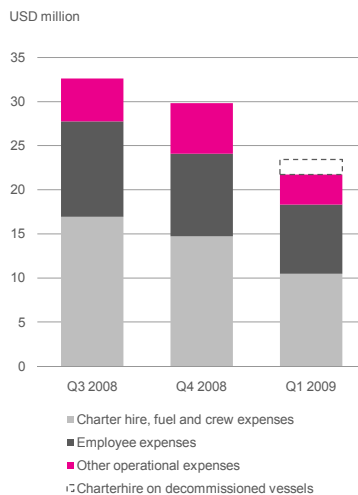
- Revenues: USD 5.8 million
- EBITDA loss: USD 17.6 million

### Vessel utilisation at 46%

- Vessels in operation: BOA Thalassa, Siem Mollie and Atlantic Guardian

Operating expenses reduced to USD 23.4 million

Subsequent events will reduce future operating expenses



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## FINANCING

Entered into a NOK 150 million senior secured convertible loan

- Bearing interest at 7.00%
- Conversion price: NOK 5.75
- Final maturity: 2 January 2012

In addition, we closed a USD 5 million unsecured convertible bond

- Bearing interest at 9.00%
- Conversion price: NOK 5.75
- Final maturity: 18 May 2011

Replaces credit facility with Nordea

Further debt financing opportunities still possible

Reduced financial risk



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## GLOBAL FRAME AGREEMENT WITH SHELL

One-year deal with optional extensions for two additional years

Shell is one of the most experienced users of EM technology

Underlines Shell's confidence in EM technology

First 3D EM survey in Senegal

- Contract worth USD 4 million
- Using EM data as a basis for a farm-in/farm-out decision

Technology adoption      Commercial adoption

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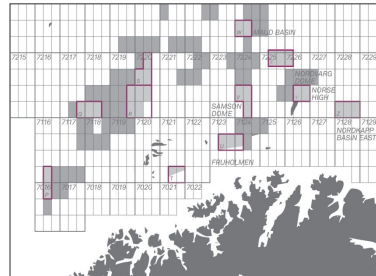
## BARENTS SEA MULTI-CLIENT CAMPAIGN

EMGS's data library covers all the Barents Sea acreage in the 20<sup>th</sup> Licensing Round

Estimated uplift revenues in excess of USD 10 million

More than 80% of our data library in the Barents Sea has become licensed acreage

Remaining potential for additional late sales to new customers



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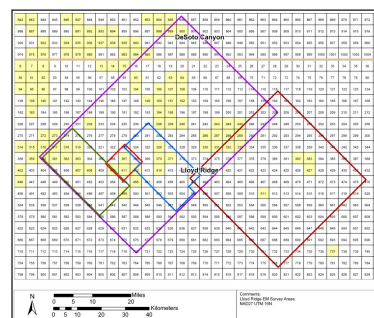
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## MULTI-CLIENT POTENTIAL IN THE GULF OF MEXICO

Eastern part of Gulf of Mexico significantly underexplored

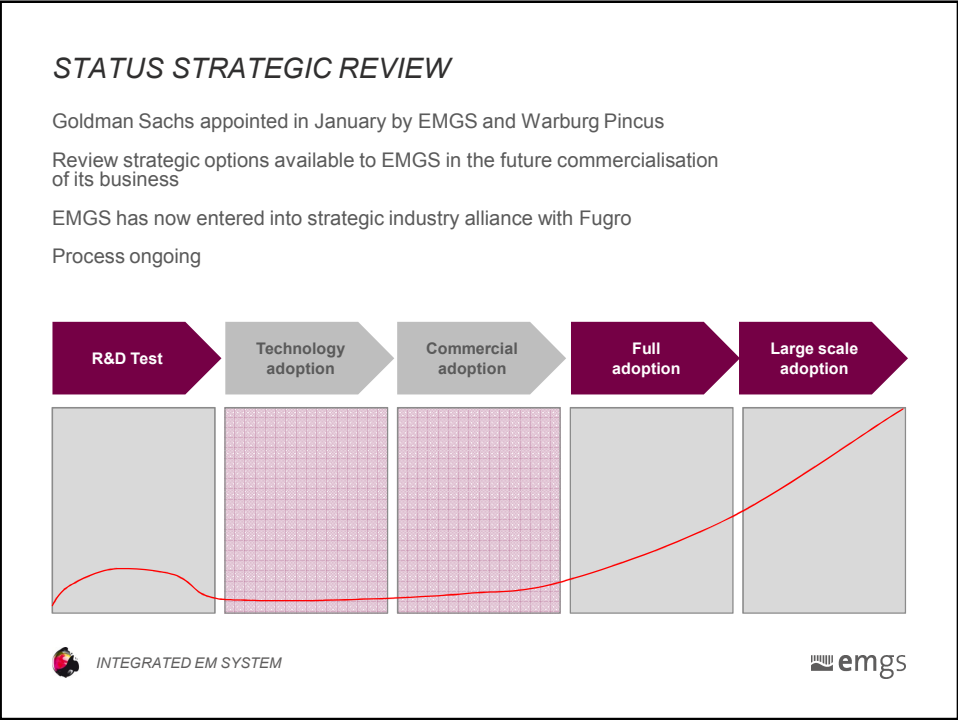
Promising market potential and growing interest in our multi-client 3D EM data

Multi-client data-licensing contract with a supermajor worth USD 5.8 million



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## STRATEGIC ALLIANCE WITH FUGRO

Fugro is the world's leading geotechnical, survey and geoscience company

Extensive marine geosciences expertise and global presence

EMGS's technology complements Fugro's EM airborne and ground EM offerings

We are confident this alliance will enhance industry adoption of our EM technology



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## THE AGREEMENT WITH FUGRO

EMGS will gain access to Fugro's worldwide marketing network and marine operating expertise

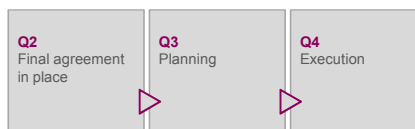
Non-exclusive worldwide multi-client cooperation agreement

Non-exclusive global technology licensing agreement

Convertible loan worth NOK 150 million



Geo Barents, one of Fugro's many seismic vessels



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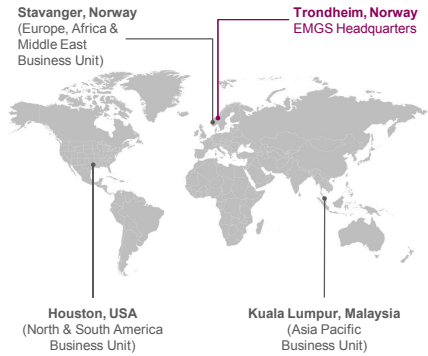
## ESTABLISHING COMMERCIAL FOCUS

Develop a more integrated and commercially oriented business at all levels

Strengthen business units to enhance customer interaction

Market driven product development and commercialisation

Working with customers on programs that involve sharing of R&D costs



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## CORE VESSEL FLEET: TWO 3D EM VESSELS



High-capacity vessels

More efficient fleet at lower cost

Ideal for 3D based surveys

Substantially improved survey efficiency;  
1000 km<sup>2</sup> per month



Containerised and transferable equipment sets

EMGS retains 7 equipment sets



Threefold increase in receiver capacity



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## *WORKFORCE REDUCTION*

Vessel fleet and organisation in line with current demand environment

61 employees affected by the workforce reduction

- 29 temporary layoffs
- 28 redundancies
- 4 consultancy contracts terminated

Expect reduction in operating expenses of approximately USD 8 - 10 million per year



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## *SUMMARY*



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## SUMMARY

Established significant change of direction

Strategic industrial alliance

From 2D to 3D

Announced contracts year to date:  
USD 35 million

Our strategy of concentrating resources on  
NOCs/Majors has yielded tangible results

Reduced cost base



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## OUTLOOK



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## OUTLOOK

Commercial focus

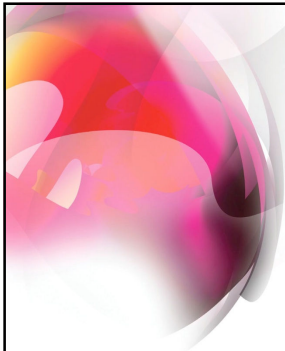
Fugro alliance will be a significant contribution towards enhancing industry adoption

Opportunity pipeline remains at USD 200 - 300 million



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## Q & A



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CONSOLIDATED INCOME STATEMENT				
USD 1 000	Quarterly		01.01 – 31.12	
	Q1 2009	Q1 2008	2008	2007
Revenues	5 812	43 487	116 177	140 339
Charter hire, fuel and crew expenses	12 189	20 115	70 518	93 816
Employee expenses	7 849	10 230	40 451	32 930
Other operating expenses	3 409	6 336	26 572	25 685
EBITDA *)	(17 635)	6 806	(21 364)	(12 093)
Depreciation and ordinary amortisation	5 819	4 915	22 029	13 477
Multi-client amortisation	-	3 323	16 889	-
EBIT	(23 454)	(1 432)	(60 282)	(25 570)
Net financial items	(1 282)	(1 769)	(2 392)	(1 971)
Profit (loss) before tax	(24 736)	(3 201)	(62 674)	(27 541)
Income tax expense	12	1 263	3 096	3 384
Net profit (loss)	(24 748)	(4 464)	(65 770)	(30 925)
EBITDA	(17 635)	6 806	(21 364)	(12 093)
Multi-client investment	-	3 323	16 889	-
Adjusted EBITDA	(17 635)	3 483	(38 253)	(12 093)

## CONDENSED STATEMENT OF CASH FLOW

USD million	Quarter ended 31 March	
	2009	2008
Net cash flow from operating activities	(21.9)	(10.8)
Net cash flow from investing activities	(1.0)	(5.9)
Net cash flow from financial activities	0.6	3.9
Net profit (loss)	(24.7)	(3.2)



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## CONDENSED BALANCE SHEET

USD million	Quarter ended 31 March 2009	Quarter ended 31 March 2008	Year ended 31 December 2008
<b>ASSETS</b>			
Intangible assets	3.8	3.5	3.8
Property, plant and equipment	42.6	51.5	42.7
Investment in joint venture	13.2	13.0	12.8
<b>Total non-current assets</b>	<b>59.6</b>	<b>68.0</b>	<b>59.2</b>
Trade Receivables	12.3	53.1	13.9
Other current assets	29.7	28.7	25.1
Cash and cash equivalents	4.5	27.9	28.1
<b>Total current assets</b>	<b>46.6</b>	<b>109.7</b>	<b>67.1</b>
<b>TOTAL ASSETS</b>	<b>106.2</b>	<b>177.7</b>	<b>126.4</b>
<b>EQUITY</b>			
<b>Total equity</b>	<b>57.9</b>	<b>98.6</b>	<b>82.4</b>
<b>LIABILITIES</b>			
<b>Total non-current liabilities</b>	<b>10.7</b>	<b>7.6</b>	<b>7.2</b>
Trade payables	17.8	35.4	19.5
Current tax liability	3.1	6.0	2.8
Other short term liabilities	10.7	12.7	9.4
Borrowings	5.9	17.3	5.1
<b>Total current liabilities</b>	<b>37.5</b>	<b>71.4</b>	<b>36.8</b>
<b>TOTAL LIABILITIES</b>	<b>48.3</b>	<b>79.0</b>	<b>44.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>106.2</b>	<b>177.7</b>	<b>126.4</b>

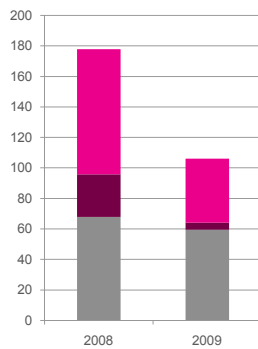


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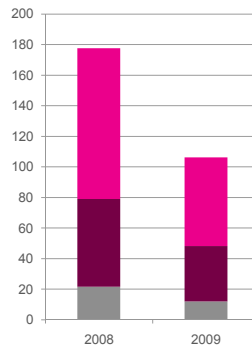
## CAPITAL STRUCTURE

Assets as of 31.03.  
(in USD million)



■ Non-current assets ■ Cash ■ Current assets excl. cash

Equity and liabilities as of 31.03.  
(in USD million)



■ Shareholders equity ■ Liabilities ■ Interest bearing debt



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## OWNERSHIP (AS OF 29 APRIL 2009)

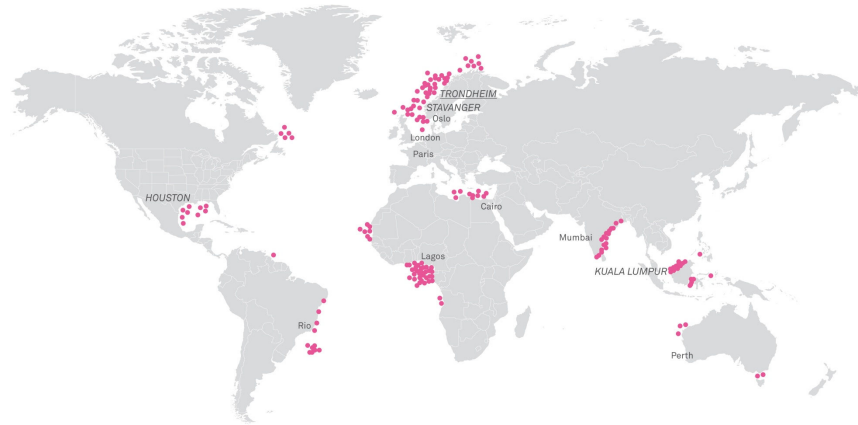
	Shareholder	Shares	Holding
1	WARBURG PINCUS	61, 873,434	67.57%
2	BJARTE HENRY BRUHEIM	2,350,088	2.57%
3	JPMORGAN CHASE BANK	2,130,000	2.33%
4	UBS AG, London branch	1,044,900	1.14%
5	EM-SBL HOLDING AS	940,214	1.03%
6	TERJE EIDESMO	854,214	0.93%
7	KURT MARTIN STRACK.	563,011	0.61%
8	CARNEGIE INVESTMENT BANK AB	553,122	0.60%
9	ALDEN AS	500,000	0.55%
10	KROSSHØ AS	472,881	0.52%
11	STÅLE EMIL JOHANSEN	422,214	0.46%
12	TERRA NORGE, VPF	351,000	0.38%
13	CITIBANK N.A. (LONDON BRNACH)	325,463	0.36%
14	UBS AG NEW YORK BRANCH P	320,000	0.35%
15	WARRENWICKLUND NORGE	301,400	0.33%



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## EMGS EXPERIENCE AND PRESENCE

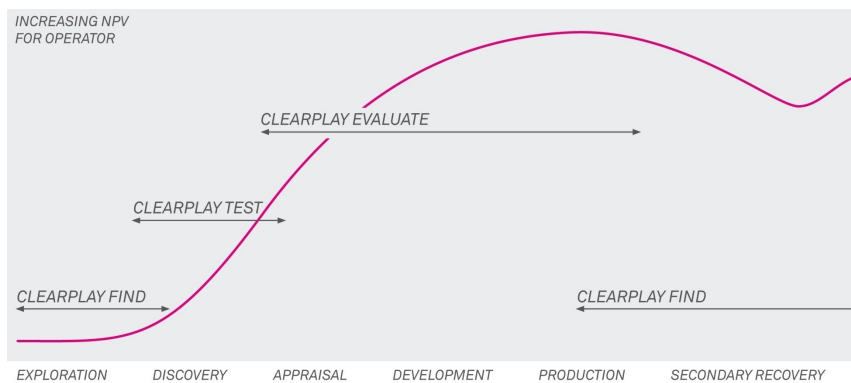


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## EMGS'S SERVICES

Three Clearplay service offerings have been designed to support operators during the exploration phase



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