



EMGS ASA – FIRST QUARTER PRESENTATION 2011

CEO, Roar Bekker
CFO, Svein Knudsen
Hotel Continental, 19 May 2011



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HIGHLIGHTS

Q1 financial performance

- Revenues of USD 21.5 million
- Negative EBITDA of USD 3.3 million

Key projects awarded for BOA Galatea

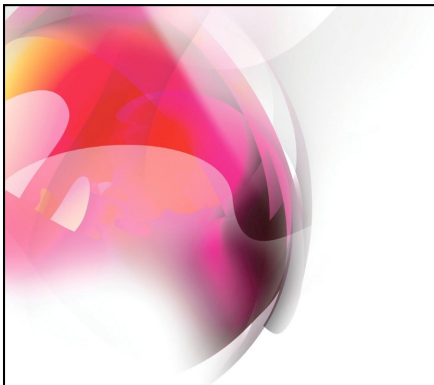
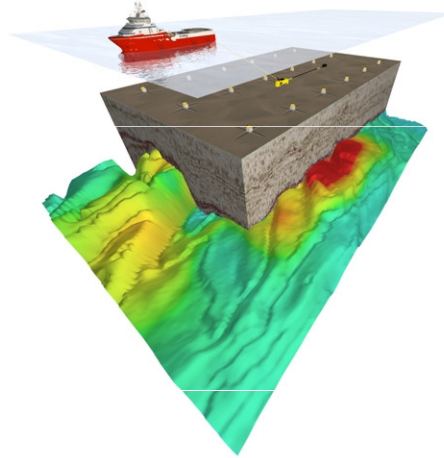
- Mozambique: USD 8.5 million
- Red Sea: USD 12.5 million

Enhanced performance on BOA Thalassa

- Technical upgrades
- Faster towing and fewer repeat tows
- Shallower water from late April

Positioned for a strong year

- Third crew mobilised
- Expect high vessel utilisation and productivity
- Joint Industry Project with two major international oil companies



FINANCIAL OVERVIEW



FINANCIAL HIGHLIGHTS

Financial results

- Revenues at USD 21.5 million
- Negative EBITDA of USD 3.3 million

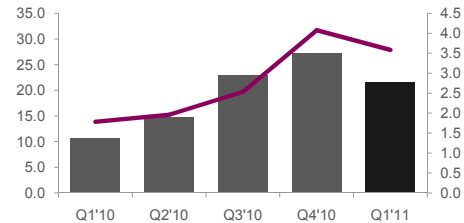
Vessel utilisation at 87%

- Revenues impacted by ultra deep-water acquisition in Gulf of Mexico and steaming

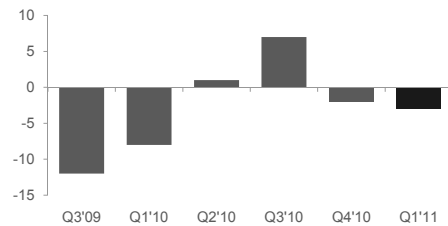
Financial events

- USD 5 million bond loan converted to shares
- Conversion of NOK 150 million bond loan to shares by Fugro
- Successful completion of NOK 250 million unsecured bond issue

Revenues and revenues per vessel month (USD Million)



EBITDA (USD Million)



emgs

OPERATIONAL COST LEVEL

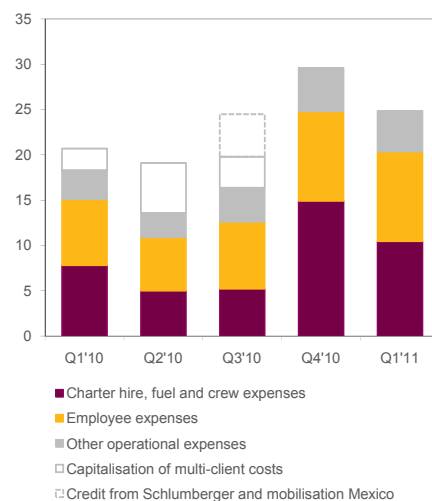
Costs in Q1 impacted by:

- Higher fuel costs
- Cost level in Mexico and New Zealand
- Increase in employee expenses owing to high operational activity

Cost level ahead: USD 28 – 30 million

- Three vessel operation
- Affected by fuel price, operational area, tax and steaming

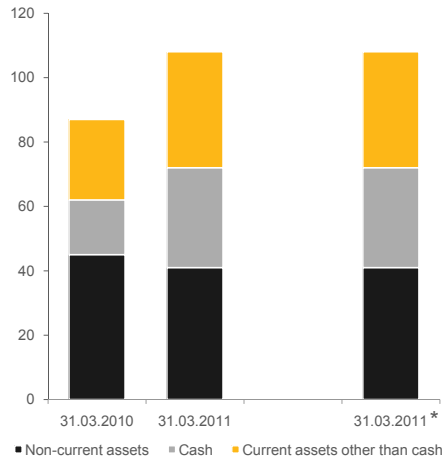
Operational costs (USD Million)



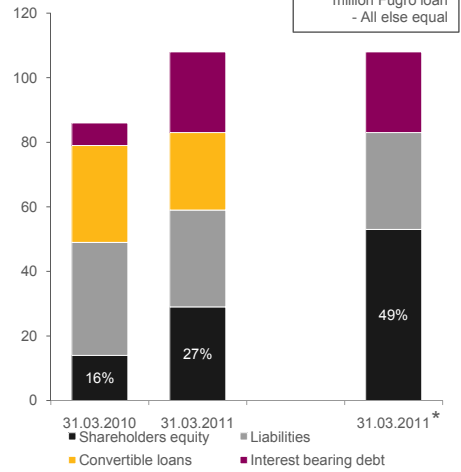
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CAPITAL STRUCTURE

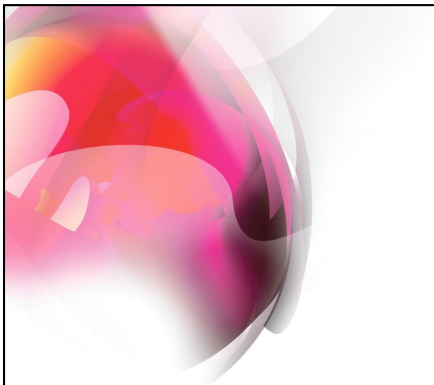
Assets (USD million)



Equity and liabilities (USD million)



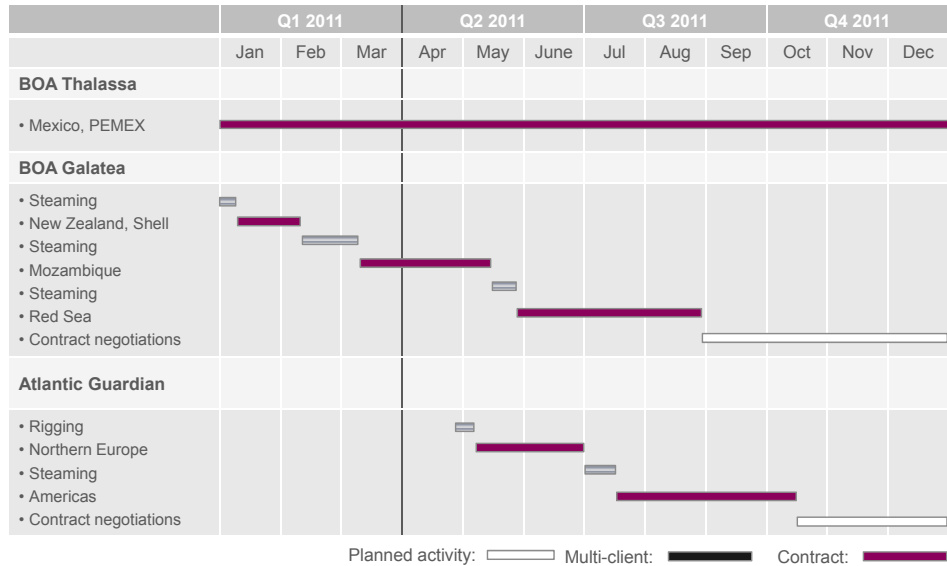
* Adjusted



OPERATIONAL OVERVIEW



VESSEL ACTIVITY & BACKLOG



UPDATE ON CONTRACT WITH PEMEX

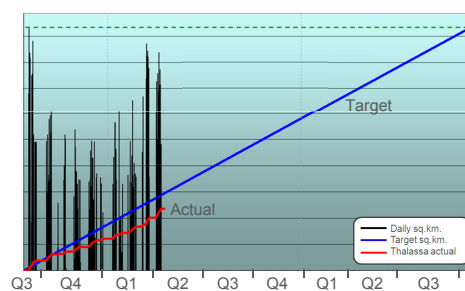
Enhancing operational performance

- Technical downtime reduced from 28% in January to 3.5% in March
- A range of technical upgrades implemented
- Faster towing in ultra deep water
- More efficient crew change logistics

Expect high production

- Ultra deep-water projects completed
- Shallower water depths from late April

Production BOA Thalassa (sq. km. per day)



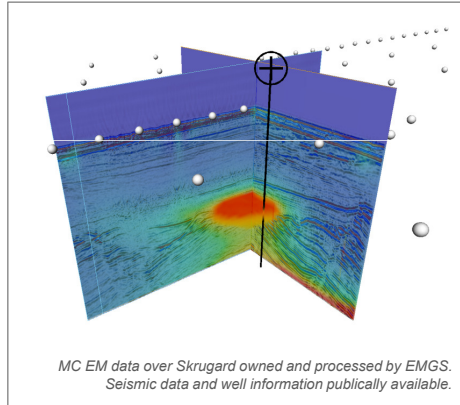
ADDING VALUE IN THE BARENTS SEA

The perfect match

- Three discoveries confirmed by EM: Goliat, Snøhvit and Skrugard
- Wide-azimuth data and 3D anisotropic inversion is crucial
- Skrugard signifies a step change for exploration in the Barents Sea

Ideal for multi-client

- Uplift revenues in Q2 of USD 5.4 million
- 2008 and 2010 campaign: 2.6 x investment
- Additional late sales potential from 16.000 km² data library
- Vast areas in this highly prospective region are still unexplored



DEMAND FUELLED BY ENHANCED ADOPTION

Mobilising third crew

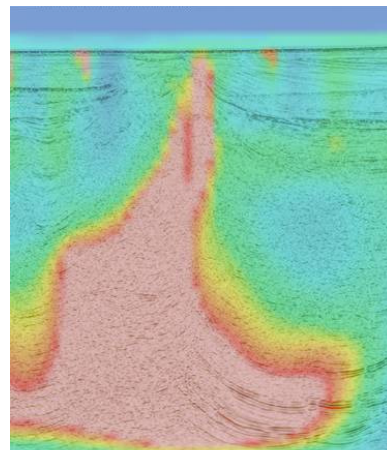
- Atlantic Guardian chartered for 6 months firm
- Optional extensions up to 6 months
- Expect to extend charter

Favourable market developments

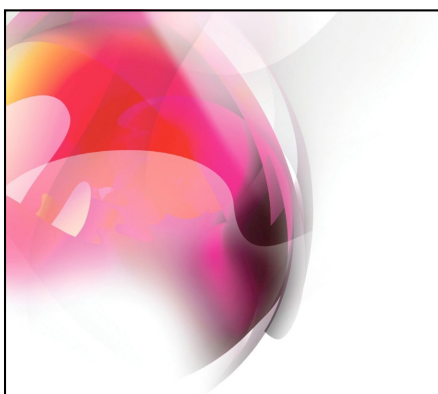
- Increased E&P spending
- Longer contracts and improved pricing
- Joint Industry Project adds further momentum

Expanding the application of 3D EM

- New shallow water source under development
- Reservoir characterisation
- Salt/basalt (wide azimuth seismic market)



Salt structure mapping - preliminary results from 3D MMT inversion (Barents Sea)



SUMMARY AND OUTLOOK



SUMMARY

Major contract awards confirm strengthening of market

Operational improvements for PEMEX

Third crew mobilised

Barents Sea endorsements provide further momentum for EMGS and MC investments

Q1 has laid the foundation for strong quarters ahead



OUTLOOK

Backlog remains strong

Three high-capacity 3D EM vessels in operation

Improved productivity for BOA Thalassa

NOK 250 million bond issue provides financial flexibility

Reiterate guiding: Positive Net Income for 2011 and improved balance sheet



CAPITAL MARKETS DAY

Presentations

Strategy and outlook
Roar Bekker, CEO

Building the EM market
Dag Reynolds, EVP sales and marketing

Value creation with EM
Dave Ridyard, President EMGS Americas

Adding value in the Barents Sea
Svein Ellingsrud, Founder and SVP

A scalable and flexible business model
Svein Knudsen, CFO

Summary and Q&A
Roar Bekker, CEO

Thursday 16 June 2011

08:30 – 09:00: Registration and coffee

09:00 – 12.30: Presentations and Q&A

12.30 – 13:30: Lunch

14:00 – 17:00: One-on-one meetings

Venue

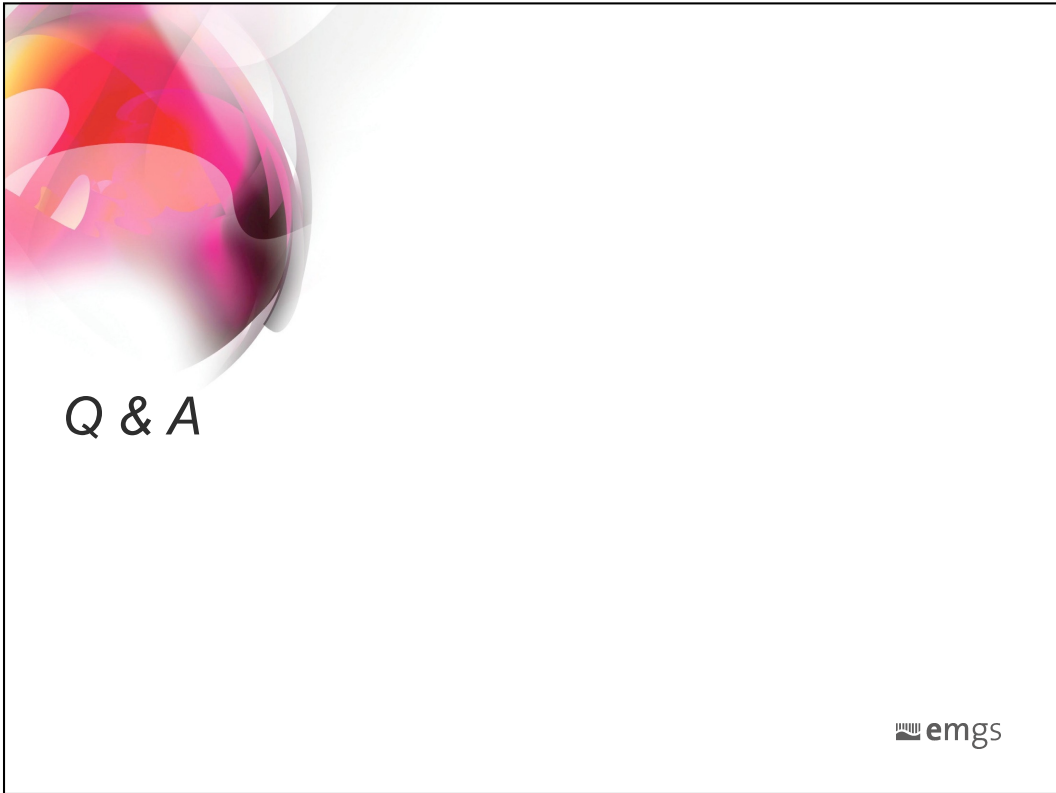
Shippingklubben, Haakon VII's gt. 1, Oslo

Registration

Please send an email to:

akaune@emgs.com by 7 June to register for the event and one-on-one meetings





CONSOLIDATED INCOME STATEMENT

USD million	QUARTER ENDING		YEAR ENDING	
	31.03.2011	31.03.2010	31.12.2010	31.12.2009
Revenues	21.5	10.7	75.4	59.0
Charter hire, fuel and crew expenses	10.5	7.8	32.9	55.2
Employee expenses	9.9	7.3	30.5	30.2
Other operating expenses	4.5	3.2	14.5	13.3
EBITDA	(3.3)	(7.6)	(2.4)	(39.7)
Depreciation and ordinary amortisation	3.4	5.2	18.4	23.7
Multi-client amortisation	-	0.3	4.1	-
EBIT	(6.7)	(13.2)	(24.9)	(63.4)
Net financial items	(6.0)	(0.5)	(31.4)	(7.2)
Share of profit of joint venture	-	-	-	(10.7)
Profit/(loss) before tax	(12.7)	(13.7)	(56.3)	(81.4)
Income tax expense	0.7	0.1	(1.1)	(0.1)
Net profit/(loss)	(13.4)	(13.8)	(55.2)	(81.3)



CONSOLIDATED BALANCE SHEET

USD million	PERIOD ENDING	
	31.03.2011	31.12.2010
ASSETS		
Intangible assets	9.0	7.8
Property, plant and equipment	22.6	23.1
Assets under construction	9.8	9.1
Investment in joint venture	0.0	3.0
Restricted cash	7.3	7.3
Total non-current assets	48.8	50.4
Trade receivables	18.3	20.6
Other current assets	17.6	13.8
Cash and cash equivalents	12.0	21.3
Restricted cash	11.2	10.9
Total current assets	59.1	66.6
TOTAL ASSETS	107.9	117.0
EQUITY AND LIABILITIES		
Total equity	28.9	2.2
Total non-current liabilities	28.4	28.1
Trade payables	12.3	12.8
Current tax liability	2.0	0.9
Provisions	0.0	0.8
Other short term liabilities	10.8	13.0
Borrowings	25.6	59.2
Total current liabilities	50.6	86.7
TOTAL EQUITY AND LIABILITIES	107.9	117.0



CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	QUARTER ENDING	
	31.03.2011	31.03.2010
Net cash flow from operating activities	(5.0)	(312.7)
Net cash flow from investing activities	(2.7)	(0.9)
Net cash flow from financial activities	(1.3)	1.0
Net increase in cash	(9.0)	(12.6)



LARGEST SHAREHOLDERS (AS OF 18 MAY)

	SHAREHOLDER	SHARES	HOLDING
1	WARBURG PINCUS	41 873 434	22.32 %
2	FUGRO NORWAY AS	27 777 778	14.81 %
3	ODIN NORGE	7 542 824	4.02 %
4	ODIN OFFSHORE	5 770 518	3.08 %
5	DNB NOR SMB	3 825 000	2.04 %
6	JPMORGAN CHASE BANK	3 659 816	1.95 %
7	SKANDINAVISKA ENSKILDA BANKEN	3 595 875	1.92 %
8	JP MORGAN CLEARING CORP.	3 154 430	1.68 %
9	SKAGEN VEKST	2 922 853	1.56 %
10	DNB NOR NAVIGATOR	2 662 497	1.42 %
11	STATOIL PENSJON	2 608 949	1.39 %
12	VPF NORDEA KAPITAL	2 435 881	1.30 %
13	SISSENER SIRIUS ASA	2 430 008	1.30 %
14	SUNDT AS	2 200 000	1.17 %
15	DELPHI NORGE	2 100 000	1.12 %

