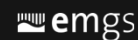




# EMGS ASA – FIRST QUARTER PRESENTATION 2012

CEO, Roar Bekker  
CFO, Svein Knudsen  
Hotel Continental, 16 May 2012



## DISCLAIMER

This quarterly presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Electromagnetic Geoservices ASA (EMGS) and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the EMGS' businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although Electromagnetic Geoservices ASA believes that its expectations and the information in this Report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Report. Electromagnetic Geoservices ASA nor any other company within the EMGS Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Report, and neither Electromagnetic Geoservices ASA, any other company within the EMGS Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Report. Electromagnetic Geoservices ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the Report.



## *HIGHLIGHTS Q1*

### **Financial results**

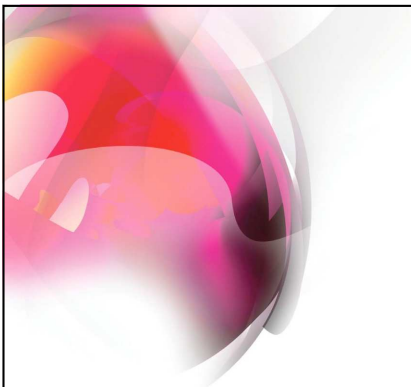
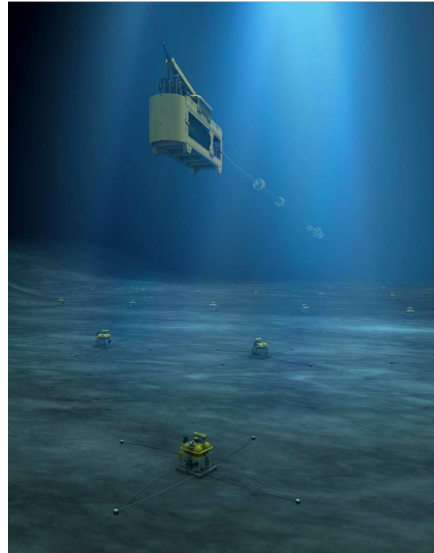
- Revenues of USD 55.6 million
- EBITDA of USD 16.1 million (29%)

### **Delivering on key projects**

- Successful execution of PEMEX contract
- Petrobras project on track
- Barents Sea multi-client campaign commenced

### **Growing opportunity base in key markets**

- Promising opportunity pipeline for EM Leader in Asia
- Increasing market activity in Latin America and West Africa



## *FINANCIAL OVERVIEW*



## FINANCIAL HIGHLIGHTS

### Key figures Q1

- Revenues of USD 55.6 million (up 159% YoY)
- EBITDA of USD 16.1 million
- Multi-client investments of USD 4.2 million
- Adjusted EBITDA of USD 11.9 million
- Net income of USD 7.0 million
- Vessel utilisation at 76%

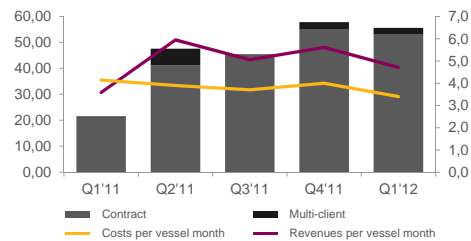
### Changed bank to DNB

- Guarantee facility of USD 20 million
- Free up restricted cash

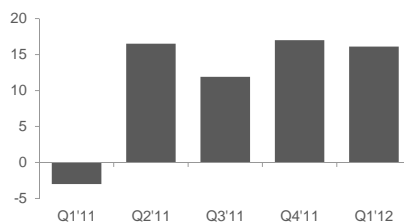
### Cash and working capital

- Trade receivables at USD 39.2 million (USD 27.8 million in Q4 2011)
- Invoicing in Brazil based on onshore delivery of processed data

Revenues and revenues/costs per vessel month (USD Million)

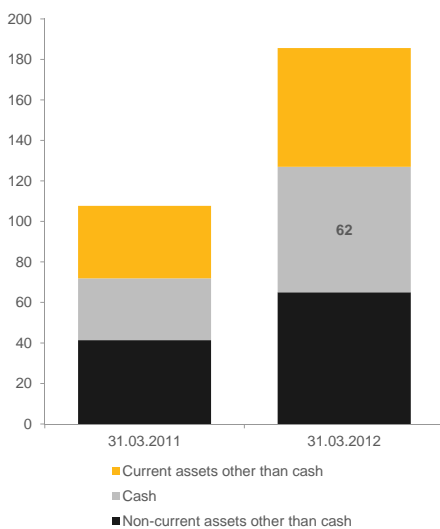


EBITDA (USD Million)

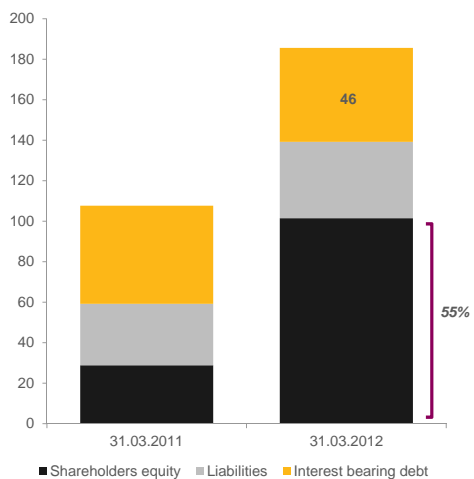


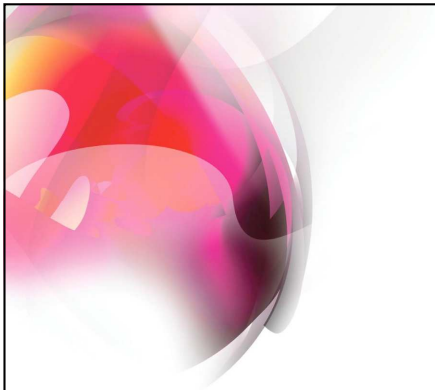
## CAPITAL STRUCTURE

Assets (USD million)



Equity and liabilities (USD million)





## OPERATIONAL OVERVIEW



### OPERATIONAL HIGHLIGHTS

#### **Contract with Petrobras**

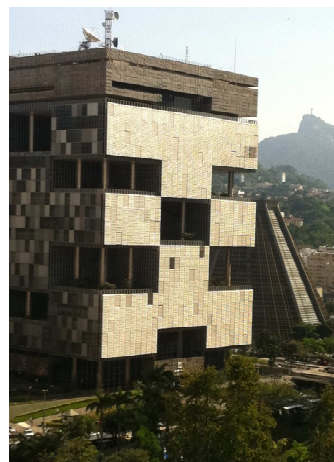
- Acquisition on schedule
- Strengthening local presence in Brazil

#### **EM Leader fully upgraded**

- Brunei survey ran smoothly
- Receiver capacity optimised

#### **Contract with PEMEX**

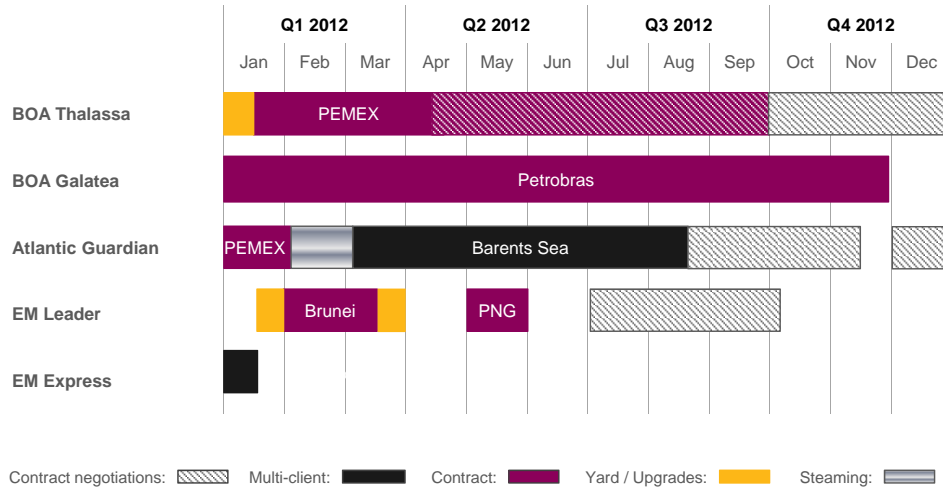
- Initial contract completed, extension in progress
- Stellar contract execution
- Well results predicted on multiple drilling targets



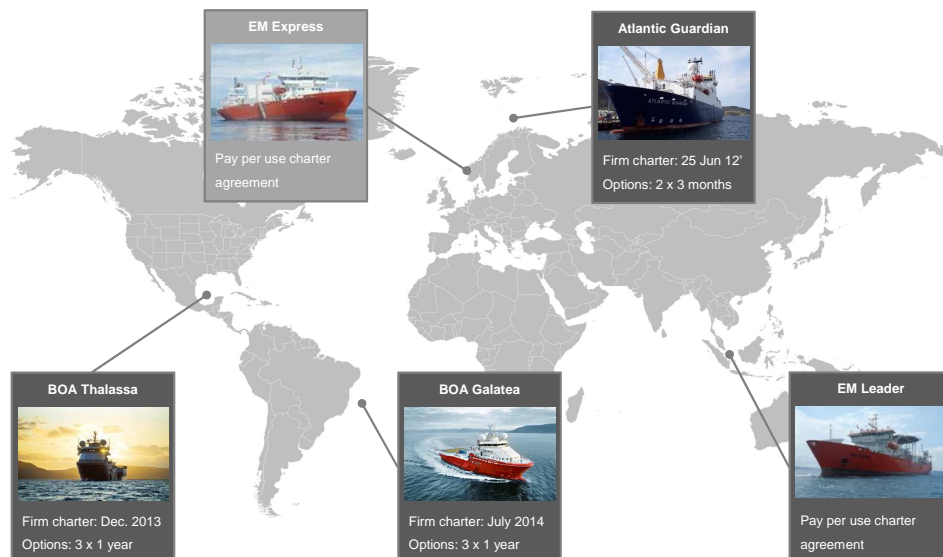
*View of Petrobras building from  
EMGS's office in Rio de Janeiro*



## VESSEL SCHEDULE

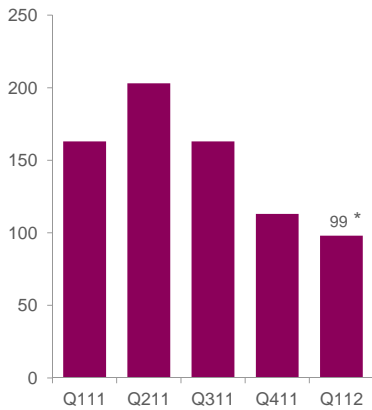


## WELL POSITIONED AND FLEXIBLE VESSEL FLEET



## MARKET UPDATE

Order book as of 31 March 2012 (USD Million)



\* Includes BOA Thalassa extension

### Opportunity pipeline at all-time high

- Comfortable backlog
- Contract opportunities firming up for H2 and beyond

### Cooperation with Schlumberger

- Several pilot projects identified
- Structural imaging and de-risking exploration programs
- Aim for commercial project in early 2013

### Key drivers for increased demand

- Exploration success (e.g. Barents Sea, Mexico)
- Technological developments
- Customers gaining experience and confidence



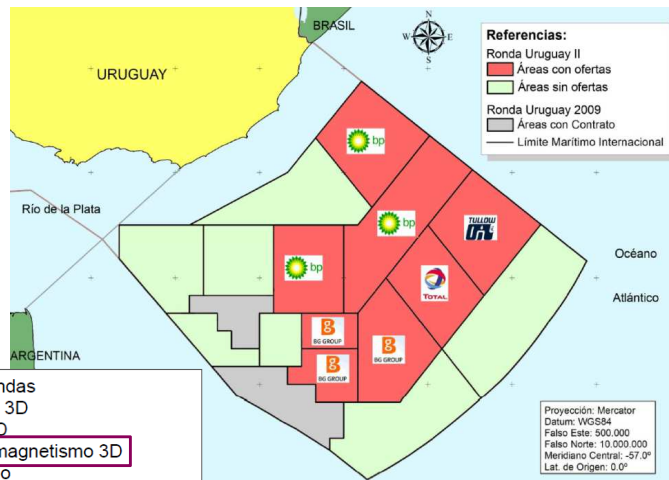
## GAINING RECOGNITION - EM INCLUDED IN WORK PROGRAMS

### Uruguay

- Proprietary and multi-client potential

### Malaysia

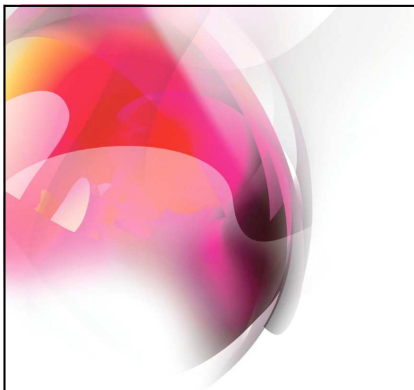
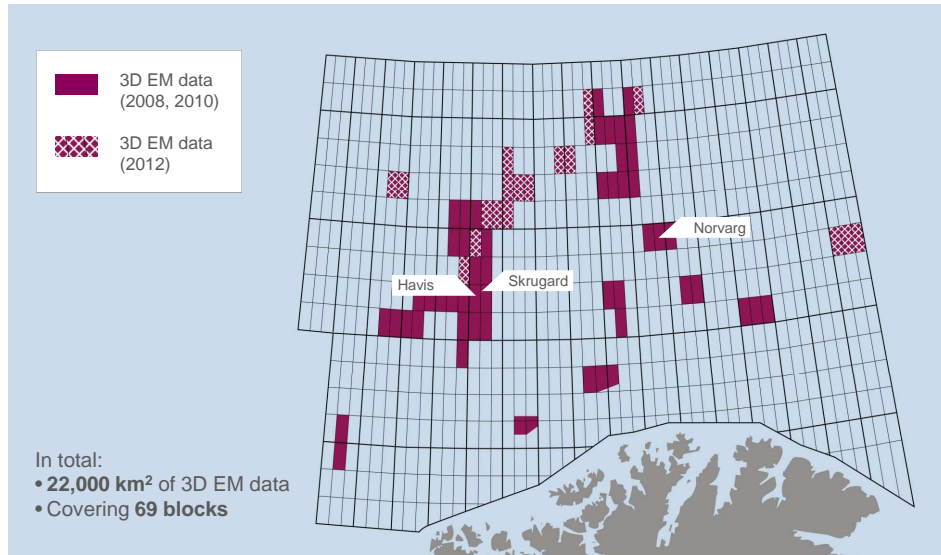
- Shell and Petronas
- EM surveys to de-risk 5 prospects



- 1 pozo en aguas profundas
- 33240 Km2 de sísmica 3D
- 3000 Km de sísmica 2D
- 13080 Km2 de electromagnetismo 3D
- 130 muestreos de fondo
- Estudios adicionales y procesamiento sísmico



## *PROMISING PRELUDE TO THE BARENTS 2012 CAMPAIGN*



## *SUMMARY AND OUTLOOK*



## SUMMARY AND OUTLOOK

### Strong Q1 performance

- Best ever first quarter
- EBITDA-margin of 29%
- High operational productivity

### Favourable market developments

- Maintaining comfortable backlog
- Growing opportunity base in key markets
- Utilising flexible business model

### Guiding

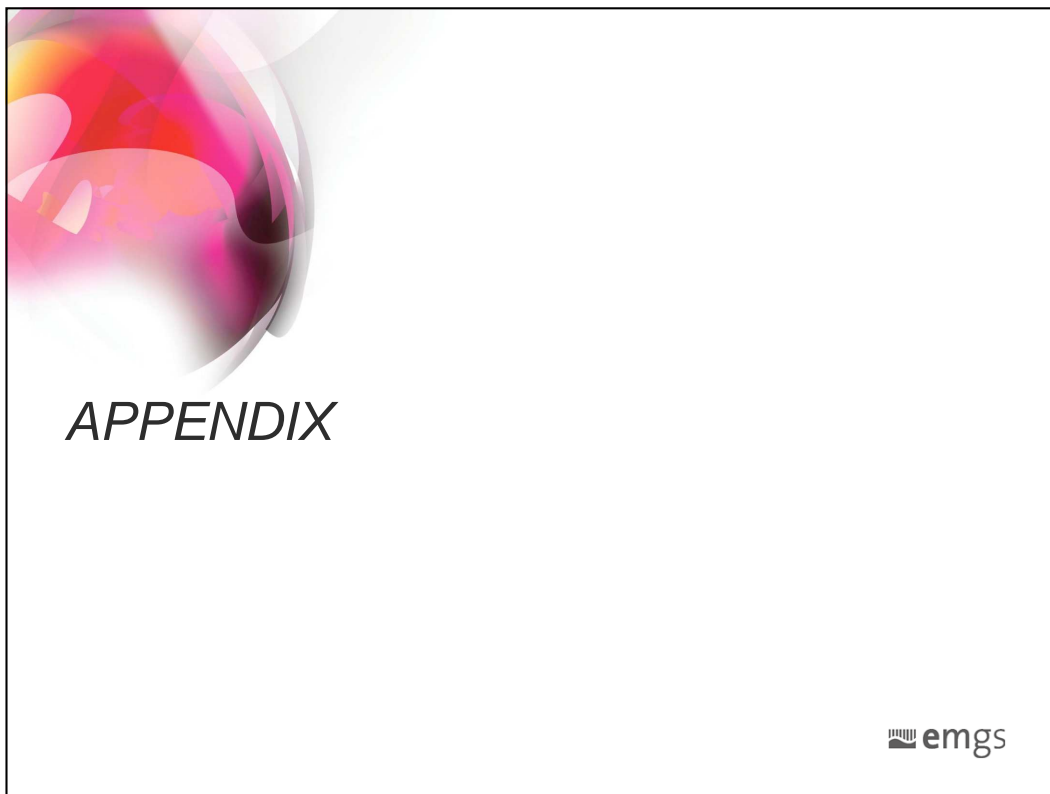
- Annual revenue growth based on four-vessel-operation
- EBITDA margin of at least 25%



## Q & A







## CONSOLIDATED INCOME STATEMENT

USD million

	QUARTER ENDING		YEAR ENDING	
	31.03.2012	31.03.2011	31.12.2011	31.12.2010
<b>Revenues</b>	<b>55.6</b>	<b>21.5</b>	<b>172.4</b>	<b>75.4</b>
Charter hire, fuel and crew expenses	21.0	10.5	67.1	32.9
Employee expenses	13.8	9.9	43.6	30.5
Other operating expenses	4.6	4.5	19.9	14.5
<b>EBITDA</b>	<b>16.1</b>	<b>(3.3)</b>	<b>41.8</b>	<b>(2.4)</b>
Depreciation and ordinary amortisation	3.2	3.4	13.0	18.4
Multi-client amortisation	1.2	-	3.7	4.1
<b>EBIT</b>	<b>11.7</b>	<b>(6.7)</b>	<b>25.1</b>	<b>(24.9)</b>
Net financial items	2.8	(6.0)	(7.2)	(31.4)
<b>Profit/(loss) before tax</b>	<b>8.9</b>	<b>(12.7)</b>	<b>17.9</b>	<b>(56.3)</b>
Income tax expense	1.9	(0.7)	7.8	(1.1)
<b>Net profit/(loss)</b>	<b>7.0</b>	<b>(13.4)</b>	<b>10.2</b>	<b>(55.2)</b>

## CONSOLIDATED BALANCE SHEET

USD million

	PERIOD ENDING	
	31.03.2012	31.12.2011
<b>ASSETS</b>		
Goodwill	14.4	14.4
Intangible assets	13.4	10.7
Property, plant and equipment	20.0	20.6
Assets under construction	17.3	14.3
Investment in joint venture	-	-
Restricted cash	0.6	0.6
<b>Total non-current assets</b>	<b>65.6</b>	<b>60.6</b>
Trade receivables	39.2	27.8
Other current assets	19.3	15.9
Cash and cash equivalents	44.1	57.8
Restricted cash	17.3	16.6
<b>Total current assets</b>	<b>120.0</b>	<b>118.1</b>
<b>TOTAL ASSETS</b>	<b>185.6</b>	<b>178.7</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>101.5</b>	<b>90.8</b>
<b>Total non-current liabilities</b>	<b>51.1</b>	<b>48.7</b>
Trade payables	12.4	14.3
Current tax liability	5.9	7.1
Provisions	-	-
Other short term liabilities	13.3	16.5
Borrowings	1.3	1.3
<b>Total current liabilities</b>	<b>32.9</b>	<b>39.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>185.6</b>	<b>178.7</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	QUARTER ENDING	
	31.03.2012	31.12.2011
<b>Net cash flow from operating activities</b>	<b>(4.6)</b>	<b>23.6</b>
<b>Net cash flow from investing activities</b>	<b>(8.6)</b>	<b>(6.0)</b>
<b>Net cash flow from financial activities</b>	<b>(0.4)</b>	<b>18.9</b>
<b>Net increase in cash</b>	<b>(13.7)</b>	<b>36.4</b>



## LARGEST SHAREHOLDERS (AS OF 14 MAY)

	SHAREHOLDER	SHARES	HOLDING
1	FUGRO NORWAY AS	27 777 778	14.00 %
2	ODIN NORGE	7 749 424	3.91 %
3	SKAGEN GLOBAL	7 016 280	3.54 %
4	ODIN OFFSHORE	6 613 423	3.33 %
5	SKAGEN VEKST	4 626 462	2.33 %
6	UBS AG, LONDON BRANCH	4 072 187	2.05 %
7	SKANDINAVISKA ENSKILDA BANKEN	3 602 411	1.82 %
8	JP MORGAN CLEARING CORP	3 594 600	1.81 %
9	EURO TRANS SKIPS AS	3 261 284	1.64 %
10	MORGAN STANLEY & CO LLC	2 917 576	1.47 %
11	STATE STREET BANK AND TRUST CO	2 839 282	1.43 %
12	DNB NOR SMB VPF	2 700 000	1.36 %
13	SKAGEN GLOBAL II	2 455 380	1.24 %
14	VPF NORDEA KAPITAL	2 409 763	1.21 %
15	TVETERAAS EIENDOMSSELSKAP AS	2 400 000	1.11 %