EMGS first quarter 2013

16/05/2013

emgs

Highlights in the first quarter 2013

- Financial results:
  - Total revenues at USD 31.7 million
  - EBITDA of USD 1.3 million
  - Net loss of USD 2.5 million
- EMGS awarded contract worth USD 35 million in Brunei
- Cooperation agreement with Spectrum for the Foz do Amazonas basin in Brazil

Subsequent important events:

- EMGS awarded multi-client contract worth USD 6.4 million
- 2013 Barents Sea multi-client campaign launched

Key financial figures

USD million (except per share data)	Q1 2013	Q1 2012	2012	Q4 2012
Contract sales	**20.1**	53.0	176.1	34.6
Multi-client sales	**11.6**	2.6	24.7	10.4
Operating profit/ (loss)	**(6.1)**	11.7	29.2	1.7
Income/ (loss) before income taxes	**(1.2)**	8.9	17.9	(1.2)
Net income/ (loss)	**(2.5)**	7.0	11.9	(0.7)
Earnings((loss) per share	**(0.01)**	0.04	0.06	0.00
Average number of shares outstanding (in thousands)	**198 880**	197 914	198 161	198 690
EBITDA	**1.3**	16.1	55.9	10.1
Multi-client investment	**8.4**	4.2	21.4	8.3
Adjusted EBITDA	**(7.1)**	11.9	34.4	1.8

Information related to shares is for ordinary shares. The number of ordinary shares outstanding at 31 March 2013, was 198 880 055.

Financial review

Revenues and operating expenses

EMGS recorded revenues of USD 31.7 million in the first quarter of 2013, down from USD 55.6 million in the first quarter of 2012. Contract sales totalled USD 20.1 million while multi-client sales came in at USD 11.6 million in the first quarter of 2013, compared to contract sales of USD 53.0 million and multi-client sales of USD 2.6 million in the corresponding period last year.

The Company recorded 10 vessel months in the first quarter of 2013 as opposed to 12 in the first quarter of 2012, which partly explains the decrease in revenues. In addition, vessel utilisation was impacted by BOA Thalassa's transit from the Gulf of Mexico to Asia and a yard stay for the EM Leader. The vessel fleet's utilisation came in at 63% this quarter, down from 72% last year. EMGS's vessels were allocated 34% to multi-client programs in the first quarter of 2013, compared to 7% in the corresponding period last year.

Charter hire, fuel and crew expenses totalled USD 10.3 million in the first quarter of 2013, down from USD 21.0 million in the corresponding quarter in 2012. The reduction is related to fewer vessel months and capitalisation of multi-client costs of USD 8.4 million in the first quarter of 2013, compared with USD 4.2 million in the corresponding period last year. In addition, mobilisation costs of USD 2.3 million were capitalised in the first quarter of 2013.

Employee expenses increased from USD 13.8 million in the first quarter of 2012 to USD 14.8 million in the first quarter 2013 owing to higher operational activity throughout 2012 and a corresponding increase in the work force during 2012.

Other operational expenses increased from USD 4.6 million in the first quarter last year to USD 5.4 million in 2013.

Depreciation and amortisation

Depreciation and ordinary amortisation totalled USD 4.6 million in the first quarter 2013, up from USD 3.2 million in the same quarter in 2012. The increase is due to investment in equipment.

Multi-client amortisation totalled USD 2.8 million in the first quarter of 2013, up from USD 1.2 million in the first quarter last year.

Net financial items

Net financial items was positive USD 4.9 million in the first quarter of 2013, while a loss of USD 2.8 million was reported in the corresponding period in 2012. In the first quarter of 2013, a gain on net foreign currency of USD 6.3 million was recorded, while a loss on net foreign currency of USD 1.4 million was recorded in the corresponding quarter last year. On 1 January 2013 EMGS ASA changed its functional currency from NOK to USD. The currency gain is explained by the strengthening of the USD against the NOK and the fact that the Company has a significant portion of its expenses in NOK.

Income/(loss) before income taxes

Loss before income taxes came in at USD 1.2 million in the first quarter 2013, compared with an income before income taxes of USD 8.9 million in the corresponding quarter in 2012.

Income tax expenses

Income tax expenses of USD 1.3 million were recorded in the first quarter of 2013, compared with an income tax expense of USD 1.9 million in the first quarter of 2012. These taxes relate to results in foreign jurisdictions.

Net income for the period

Loss for the first quarter of 2013 ended at USD 2.5 million, down from an income of USD 7.0 million in the same period last year.

Cash flow and balance sheet

Cash increased by USD 1.0 million during the first quarter of 2013, compared to a decrease of USD 13.7 million during the same quarter last year.

Cash flow from operating activities was positive USD 15.7 million for the quarter ended 31 March 2013, compared with a negative cash flow from operating activities of USD 4.6 million in the comparable period in 2012.

Cash applied in investing activities in the first quarter of 2013 amounted to USD 13.3 million, compared with USD 8.6 million in the same period in 2012. The investments in 2013 consist of USD 4.9 million in property, plant and equipment and USD 8.4 million in multi-client data.

EMGS had no financing or refinancing activities in the first quarter of 2013, so most of the cash flow from financial activities, a cash decrease of USD 1.4 million, was used to service the unsecured senior NOK 250 million bond loan with maturity in May 2014. The comparable amount in 2012 was USD 0.4 million.

Cash and cash equivalents totalled USD 41.4 million at 31 March 2013, compared with USD 62.0 million at 31 March 2012. USD 1.1 million of the cash at 31 March 2013 was restricted.

Trade receivables were USD 42.5 million at 31 March 2013, up from USD 39.2 million at 31 March 2012.

Trade payables totalled USD 15.5 million at 31 March 2013, up from USD 12.4 million at 31 March 2012.

The ending multi-client library balance on 31 March 2013 was USD 19.8 million, an increase of USD 5.7 million since the end of 2012.

Total borrowings were USD 44.7 million at 31 March 2013, compared with USD 46.4 million at 31 March 2012.

Operational review

Vessel utilisation and fleet allocation

With effect from the first quarter 2013, EMGS defines “vessel utilisation” as the percentage of the vessel charter period spent on contracted or multi-client data acquisition. Consequently, paid mobilisation will no longer be classified as utilised vessel time. This definition aligns better with the Company’s accounting principles, which state that mobilisation revenues shall be booked as a percentage of acquisition completion, thereby improving correlation between the utilisation figures and the numbers recorded in the income statement. The utilisation figures for 2012 have been amended accordingly. Consequently, minor changes have been made compared with the utilisation data in the 2012 quarterly reports.

Vessel utilisation for the first quarter came in at 63% compared with 72% in the first quarter of 2012.

In the first quarter of 2013, the Company’s vessels were allocated 29% to contract and 34% to multi-client programmes. In the first quarter of 2012, EMGS’s vessels were allocated 65% to contract and 7% to multi-client programmes.

EMGS recorded 10 vessel months in the first quarter of 2013 compared with 12 in the first quarter of 2012.

The Company recorded the following vessel utilisation in 2012 (please note that 2012 data have been restated in accordance with the above mentioned definition of utilisation) and the first quarter of 2013:

	Q1	Q2	Q3	Q4
2012	72%	77%	69%	84%
2013	63%			

Vessel overview

Vessel	Status Q1	Utilisation Q1	Firm charter period	Optional charter period
BOA Thalassa	In operation	26%	18 December 2014	2 x 12 months
BOA Galatea	In operation	88%	17 July 2014	3 x 12 months
Atlantic Guardian	Off-hire in Bergen during January and February. In operation and on hire from 1 March.	65%	Firm charter from 1 March to 1 September.	2 x 3 months
EM Leader	In operation	74%	15 June 2013	Optional 1-, 3-, 6- or 12-month charters until 9 Mar 2015
EM Express	Standby at no cost in Bergen	Not applicable	Not applicable	Optional 3-, 6- or 12-month charters until 9 May 2014. Note that vessel owner has the option to terminate the agreement with 45 days' notice.

Vessel activity

BOA Thalassa
The BOA Thalassa spent the first half of the quarter in transit from the Gulf of Mexico to Singapore. Following equipment upgrades and sea trials, the vessel then mobilised for a contract in Brunei worth approximately USD 35 million. Data acquisition under this contract commenced on 8 March and is expected to be completed by mid-August 2013.

The vessel's utilisation for the first quarter was 26%.

BOA Galatea
The BOA Galatea acquired 3D electromagnetic (EM) data under a multi-client programme in the Ceará area in northern Brazil from the start of the first quarter to 18 March 2013.

On 23 March, EMGS and Spectrum ASA announced that the companies had entered into a cooperation agreement covering the Foz do Amazonas basin in Brazil. Spectrum already has over 21,000 kilometres of multi-client 2D seismic data coverage of this area and EMGS has been given access to this data for planning and improved imaging purposes. On 24 March, the BOA Galatea started the acquisition of 3D resistivity data in a regional, multi-client programme covering approximately 8000 km2 of the Foz do Amazonas basin. The program covers offshore blocks that have been included in the 11th licensing round and is expected to take about six months. The deliverables include seismic-constrained 3D EM inversion cubes, interpreted lead maps and probabilistic resource estimates. Interest in the Brazilian equatorial margin is high following the Zaedyus discovery north west of the border in French Guiana; Petrobras's Pecém discovery in the Ceará basin south east of Foz de Amazonas; and analogous discoveries in the West African equatorial margin.

The BOA Galatea's vessel utilisation came in at 88% for the first quarter.

Atlantic Guardian
The Atlantic Guardian was standby in Bergen, Norway at no charter hire cost to EMGS during January and February 2013. EMGS has chartered the vessel for a firm six months from 1 March with two optional three-month extensions. In early March, the Atlantic Guardian was equipped with the Company's new source system, Deep Xpress. Following

sea trials, it mobilised for a multi-client survey in production license 527 in the Norwegian Sea. The survey started on 9 March and was completed in mid-April. Subsequently, the vessel embarked on the first phase of its 2013 Barents Sea multi-client survey programme which covers approximately 2700 km2 of 3D EM data over the western Bjarmeland platform and Fingerdjupet sub-basin, with estimated completion in the first week of June. The Atlantic Guardian will then conduct a USD 5 million survey which is expected to be completed by the end of June. EMGS has received a Letter of Intent for this survey and expects that the contract will be finalised and signed by the start of June. The vessel will during the third quarter perform a mix of multi-client and contract work in Norway.

The vessel's utilisation for the first quarter was 65%.

EM Leader

The EM Leader completed a USD 20 million contract in Brunei on 8 January 2013. The vessel then executed a contract worth approximately USD 7 million in Malaysia before moving to Singapore for a scheduled dry dock from 19 to 28 February. On 6 March, the vessel commenced 3D EM data acquisition under a USD 7 million contract for new customer China National Petroleum Corporation (CNPC) in Myanmar. This survey was completed on 7 April. Subsequently, the vessel mobilised for a 3D EM survey worth approximately USD 5 million for new customer JX Nippon Oil & Gas Exploration in Malaysia. This survey was completed on 7 May and the vessel has since then been standby in Labuan, Malaysia pending new work commitments. The firm charter hire expires on 15 June and the vessel will subsequently undergo a 35-day yard stay to install a new azimuth thruster and extra generator. In addition, upgrades will be made to accommodate a new Shelf Xpress equipment set which is scheduled for delivery in the fourth quarter of 2013.

The EM Leader's utilisation came in at 74% for the first quarter.

Recent events

On 3 March, EMGS announced that it had signed a data licensing agreement worth USD 6.4 million for the provision of 3D controlled-source electromagnetic (CSEM) and magnetotelluric (MT) data from EMGS's multi-client data library in the Norwegian Sea. In addition, the Company reported that it has secured initial pre-funding for the first phase of its 2013 Barents Sea multi-client survey programme which covers approximately 3000 km2 of 3D EM data over the western Bjarmeland platform and Fingerdjupet sub-basin.

Shareholder information

In March 2013, board member Iman Hill notified the Board of EMGS that she resigned from the Board as a consequence of her new employer restricting directorship with oil service companies. The nomination committee of EMGS is assessing candidates for Iman Hill's replacement ahead of the company's general meeting on 21 June 2013.

In a board meeting in March 2013, the Board of EMGS approved the recommendation of the compensation committee to grant 3,800,000 new stock options to key employees. The options was awarded in accordance with the resolution in the general meeting held 22 June 2011, where it was resolved that the Board could grant up to a total of 10,000,000 options in 2011, 2012 and 2013 based on the existing option program and the Board's decision to grant, or evaluate to grant, options in the board meeting held in March each year.

The new stock options can be exercised at a strike price of NOK 9.00, which was the closing price of the share on 20 March 2013. In accordance with the existing option program, the new options will be vested with 20 per cent each year, starting on the day the options are granted.

Risks factors

EMGS is subject to a number of risk factors, of which the most important is the demand for EM services. EM technology is still a technology in its adoption phase, and considerable effort has to be undertaken in order to strengthen the market's awareness, adoption and integration of the services offered. EMGS intends to maintain a proper cost level and funding to match the future demand for its products and services. The demand from oil and gas companies is also dependent upon a number of factors that affect offshore exploration and production expenditures in general. In addition, there are risks associated with EM marine operations which might affect the profitability of projects. Examples include: Change in governmental regulations affecting EMGS's markets, technical downtime, adverse weather conditions, licenses and permitting, as well as delays in closing revenue-generating contracts. For a further description of other relevant risk factors, please refer to the Annual Report for 2012.

Outlook

EMGS reiterates the guiding provided in conjunction with the Company's fourth quarter 2012 earnings release on 7 February 2013: Based on the current operational forecast, EMGS expects to deliver 2013 revenues in the range USD 210 to 230 million, an EBITDA margin in the range 25 to 30% and a backlog of USD 100 million by the end of the first half 2013.

Oslo, 15 May 2013
Board of Directors and CEO

Electromagnetic Geoservices Group

Consolidated income statement

Quarter ended 31 March

Amounts in USD 1 000	Q1 2013 Unaudited	Q1 2012 Unaudited	2012 Audited
Operating revenues			
Contract sales	**20 104**	52 982	176 118
Multi-client pre-funding	**-**	1 368	15 960
Multi-client late sales	**11 598**	1 208	8 753
Total operating revenues	**31 702**	**55 558**	**200 831**
Operating expenses			
Charter hire, fuel and crew expenses	**10 256**	21 032	68 822
Employee expenses	**14 791**	13 787	55 076
Depreciation and ordinary amortisation	**4 593**	3 199	13 920
Multi-client amortisation	**2 755**	1 216	12 709
Other operating expenses	**5 379**	4 648	21 080
Total operating expenses	**37 774**	**43 882**	**171 607**
Operating profit/(loss)	**-6 072**	11 676	29 224
Financial income and expenses			
Interest income	**28**	16	220
Interest expenses	**-1 520**	-1 404	-5 377
Net foreign currency income/(loss)	**6 344**	-1 370	-6 125
Net financial items	**4 852**	**-2 758**	**-11 282**
Income/(loss) before income taxes	**-1 220**	**8 918**	**17 942**
Income tax expense	**1 316**	1 946	6 047
Income/(loss) for the period	**-2 536**	**6 972**	**11 895**
Consolidated statement of comprehensive income			
Income/(loss) for the period	**-2 536**	**6 972**	**11 895**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	**237**	2 379	4 619
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit plans	**-**	-	3 075
Other comprehensive income	**237**	**2 379**	**7 694**
Total comprehensive income/(loss) for the period, net of tax	**-2 299**	**9 351**	**19 589**

Electromagnetic Geoservices Group

Consolidated statement of financial position

Quarter ended 31 March

Amounts in USD 1 000	Q1 2013 Unaudited	Q1 2012 Unaudited	2012 Audited
ASSETS			
Non-current assets			
Goodwill	**14 422**	14 422	14 422
Multi-client library	**19 785**	8 351	14 126
Other intangible assets	**4 605**	5 051	4 877
Property, plant and equipment	**28 980**	19 957	32 233
Assets under construction	**14 877**	17 251	10 893
Restricted cash	**-**	604	-
Total non-current assets	**82 669**	**65 636**	**76 551**
Current assets			
Spare parts, fuel, anchors and batteries	**11 415**	10 889	12 874
Trade receivables	**42 506**	39 223	47 000
Other receivables	**21 199**	8 463	14 960
Cash and cash equivalents	**40 286**	44 145	39 259
Restricted cash	**1 105**	17 257	8 543
Total current assets	**116 512**	**119 978**	**122 637**
Total assets	**199 181**	**185 615**	**199 189**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital, share premium and other paid-in equity	**281 001**	266 446	268 709
Other reserves	**-1 225**	-2 049	-383
Actuarial gains/(losses)	**3 563**	488	3 563
Retained earnings	**-171 265**	-162 864	-157 939
Total equity	**112 075**	**102 022**	**113 951**
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	**2 056**	5 069	2 285
Non-current tax liability	**299**	527	351
Provisions	**4 065**	-	3 811
Borrowings	**43 576**	45 057	45 608
Total non-current liabilities	**49 996**	**50 653**	**52 055**
Current liabilities			
Trade payables	**15 463**	12 399	9 616
Current tax liabilities	**1 399**	5 918	2 383
Other short term liabilities	**19 157**	13 285	19 843
Borrowings	**1 089**	1 336	1 340
Total current liabilities	**37 109**	**32 939**	**33 183**
Total liabilities	**87 105**	**83 592**	**85 238**
Total equity and liabilities	**199 181**	**185 615**	**199 189**

Electromagnetic Geoservices Group

Consolidated statement of cash flows

Quarter ended 31 March

Amounts in USD 1 000	Q1 2013 Unaudited	Q1 2012 Unaudited	2012 Audited
Net cash flow from operating activities:			
Income/-loss before income tax	**-1 220**	8 918	17 942
Adjustments for:			
Withholding tax expenses	**742**	1 188	10 847
Total taxes paid	**-3 041**	-4 300	-21 594
Depreciation and ordinary amortisation	**4 458**	3 200	13 920
Multi-client amortisation	**2 755**	1 215	12 709
Non-cash portion of pension expense	**-229**	154	-1 769
Cost of share-based payment	**1 718**	504	2 305
Change in trade receivables	**4 494**	-11 462	-19 239
Change in inventories	**1 459**	-1 157	-3 142
Change in trade payables	**5 847**	-1 877	-4 660
Change in other working capital	**-2 440**	-2 271	16 071
Amortisation of interest	**1 182**	1 253	5 347
Net cash flow from operating activities	**15 725**	**-4 635**	**28 737**
Investing activities:			
Purchases of property, plant and equipment	**-4 854**	-4 316	-21 171
Purchases of intangible assets	**-**	-	-263
Investment in multi-client library	**-8 414**	-4 296	-21 362
Cash used in investing activities	**-13 268**	**-8 612**	**-42 796**
Financial activities:			
Financial lease payments - principal	**-419**	-174	-1 159
Proceeds from issuance of ordinary shares	**-**	915	1 377
Payment of interest on bonds	**-1 011**	-1 145	-4 696
Cash provided by financial activities	**-1 430**	**-404**	**-4 478**
Net increase in cash	**1 027**	**-13 651**	**-18 537**
Cash balance beginning of period	**39 259**	57 796	57 796
Cash balance end of period	**40 286**	44 145	39 259
Increase in cash	**1 027**	**-13 651**	**-18 537**

Electromagnetic Geoservices Group

Consolidated statement of changes in equity

Attributable to equity holders of the Company

Amounts in USD 1 000	Share capital, share premium and other paid-in equity	Foreign currency translation reserves	Actuarial gains/ (losses)	Retained earnings	Total equity
Balance at 31 December 2011	**265 027**	**-4 428**	**-**	**-169 836**	**90 765**
Implementation of IAS 19	-	-	488	-	**488**
Balance at 1 January 2012	**265 027**	**-4 428**	**488**	**-169 836**	**91 252**
Total comprehensive income	**-**	**2 379**	**-**	**6 972**	**9 351**
Cost of share-based payment	504	-	-	-	**504**
Proceeds from shares issued - private placement and options exercised	915	-	-	-	**915**
Balance at 31 March 2012 (Unaudited)	**266 446**	**-2 049**	**488**	**-162 864**	**102 022**
Total comprehensive income	**-**	**-2 371**	**-**	**11 401**	**9 030**
Cost of share-based payment	576	-	-	-	**576**
Proceeds from shares issued - private placement and options exercised	107	-	-	-	**107**
Balance at 30 June 2012 (Unaudited)	**267 129**	**-4 420**	**488**	**-151 463**	**111 735**
Total comprehensive income	**-**	**4 373**	**-**	**-5 771**	**-1 398**
Cost of share-based payment	539	-	-	-	**539**
Proceeds from shares issued - private placement and options exercised - shares not registered	352	-	-	-	**352**
Balance at 30 September 2012 (Unaudited)	**268 020**	**-47**	**488**	**-157 234**	**111 228**
Total comprehensive income	**-**	**-336**	**3 075**	**-705**	**2 034**
Cost of share-based payment	686	-	-	-	**686**
Proceeds from shares issued - private placement and options exercised - shares not registered	3	-	-	-	**3**
Balance at 31 December 2012	**268 709**	**-383**	**3 563**	**-157 939**	**113 951**
Change in functional currency	10 574	-1 078		-10 791	**-1 295**
Balance at 1 January 2013	**279 283**	**-1 461**	**3 563**	**-168 730**	**112 655**
Total comprehensive income	**-**	**237**	**-**	**-2 536**	**-2 299**
Cost of share-based payment	1 718	-	-	-	**1 718**
Balance at 31 March 2013 (Unaudited)	**281 001**	**-1 224**	**3 563**	**-171 266**	**112 075**

Notes to the financial statements

Accounting principles

The Group has applied the same accounting standards and policies as in the Group's financial statements at 31 December 2012, and has implied standards, interpretations and amendments which were effective from 1 January 2013.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)
IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss. Expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised.

The Group has applied IAS19R retrospectively from 1 January 2012 and comparative figures has been changed. The Group has previously used the corridormechanism when accounting for actuarial gains and losses. The removal of the corridor mechanism implies that actuarial gains and losses shall be recognised in OCI in the current period .The corridor as of 1 January 2012 of USD 0.5 million has been removed, and the pension obligation decreased by the same amount, whereas equity increased by USD 0.5 million.

The amended standard will impact the net benefit expense as the expected return on plan assets will be calculated using the same interest rate as applied for the purpose of discounting the benefit obligation. The difference between actual return of assets and the estimated return will be accounted for in OCI. The pension expense under previous standard was USD 2.3 million in 2012. No changes are made in the 2012 pension expense, as the changes are immaterial. Under the new standard, changes in actuarial assumptions recognised in OCI is USD 3.1 million. The pension obligation as of 31 Desember 2012 decreased from USD 5.8 million to USD 2.3 million. Since the Group has unrecognised deferred tax assets, no tax obligation has been recognised as a result of the implementation as these will be deducted from the asset.

Functional currency
EMGS ASA, the parent company, changed its functional currency from NOK to USD from 1 January 2013. The Group conducts operations in several countries around the world. Previously, contracts were entered into by wholly owned subsidiaries of EMGS ASA. From late 2012, nearly all of the Group's business has been transacted through EMGS ASA. The Company sees this trend continuing in 2013. As a consequence of these changes, management has assessed the functional currency of the parent company to be USD. The change in functional currency has no cash impact.

EMGS ASA will no longer have currency exchange effects, deriving from USD denominated monetary assets and liabilities, related to the "Net financial items". Conversely, monetary assets and liabilities, denominated in other currencies than USD, may now generate such currency effects.

Segment reporting

EMGS reports its sales revenue as one reportable segment. The sales revenues and related costs are incurred worldwide.

The amounts below show sales revenues reported by geographic region.

Amounts in USD 1 000	**Q1 2013 Unaudited**	Q1 2012 Unaudited	2012 Audited
Americas	**3.3**	46.8	143.5
Asia/Pacific	**19.9**	6.3	30.1
EAME	**8.5**	2.5	27.2
Total	**31.7**	**55.6**	**200.8**

Statement of compliance

These condensed consolidated interim accounts have been prepared in accordance with IAS 34 and should be read in conjunction with the consolidated financial statements for the group for the year ending 31 December 2011. The group's financial statements are available upon request from the company's registered office in Trondheim or at www.emgs.com.

Disclaimer for forward-looking statements

This quarterly report 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 EMGS ASA 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's 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 EMGS 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. EMGS 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 EMGS 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. EMGS ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the report.

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