



FIRST QUARTER 2016 RESULTS.

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Spot the difference.

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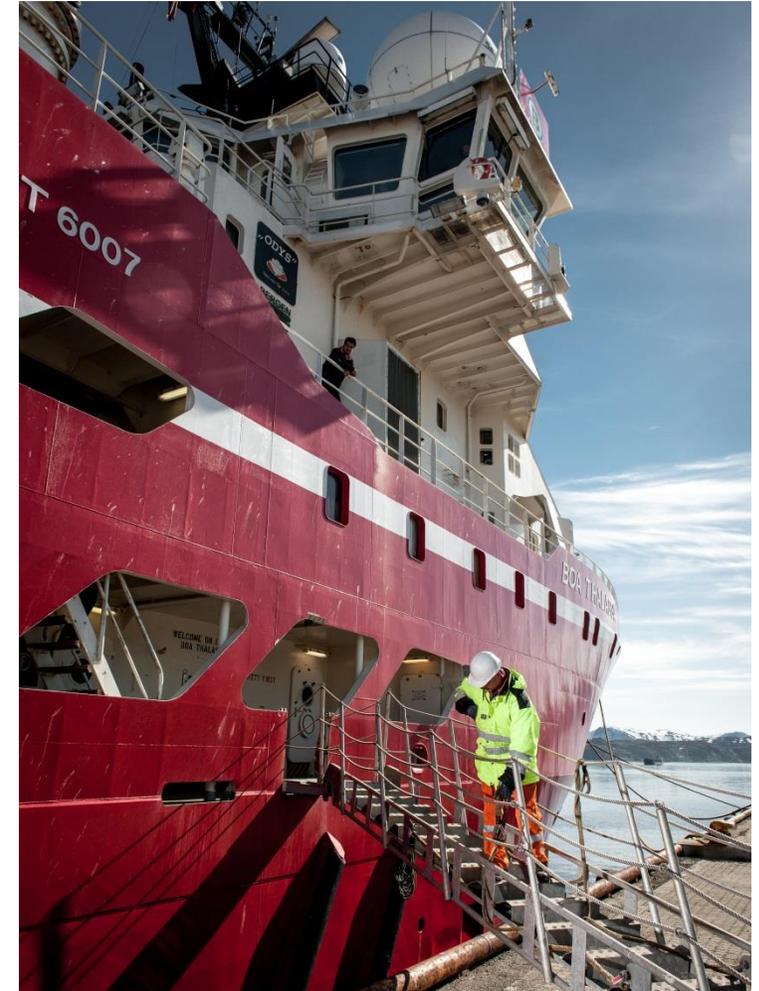
Highlights

First quarter 2016

- Completion of contract work in India
- Two multi-client projects started
 - West of India (completed in April)
 - Hammerfest basin, Barents Sea, Norway (completed in April)
- Atlantic Guardian on a planned yard stay in February
- Reduced E&P caused the market to slow down

Subsequent events

- Settlement of patent disputes with PGS
- Changes in the organisation to reduce cost and increase efficiency





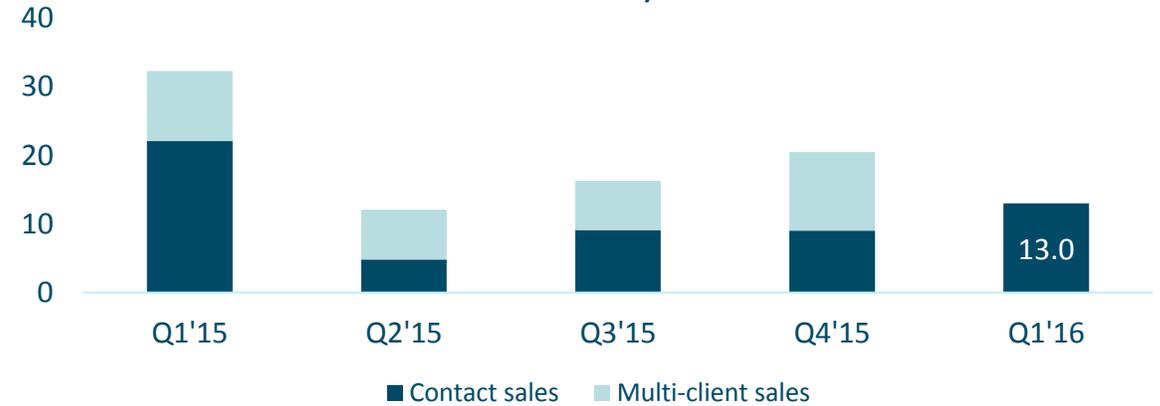
Financial review

Spot the difference.

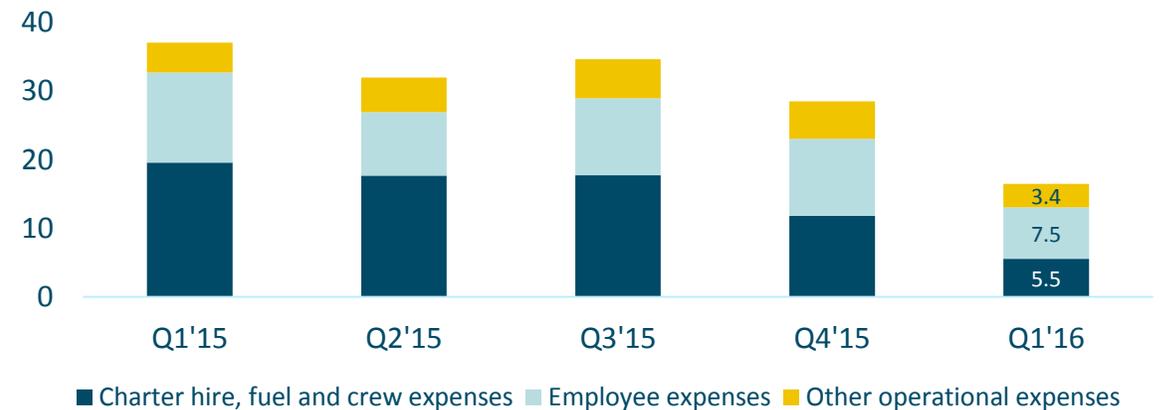
First quarter key financials

- Revenues of USD 13.0 million, contract revenues only
- Operational costs of USD 16.4 million
 - Charter hire USD 1.3 million lower due to Atlantic Guardian idle in January and on yard stay in February (non-recurring)
 - Reversal of a provision of USD 2.0 million related to PGS case
 - Costs of PGS patent disputes of USD 2.6 million (non-recurring)
- Vessel utilisation of 55%
 - 29% contract work
 - 26% multi-client projects, currently without industry funding

Quarterly revenues

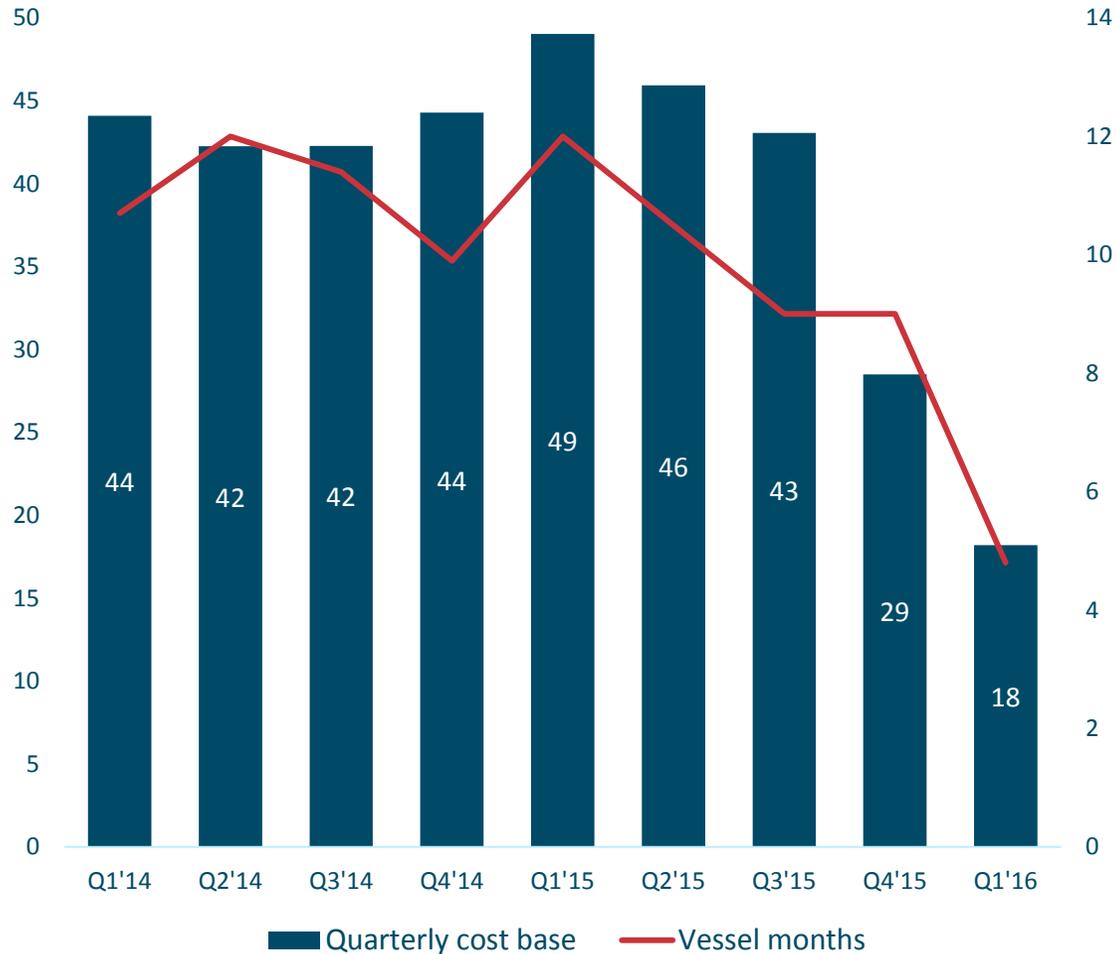


Quarterly operational expenses



Cost reduction program on track

Quarterly operational cost base development*

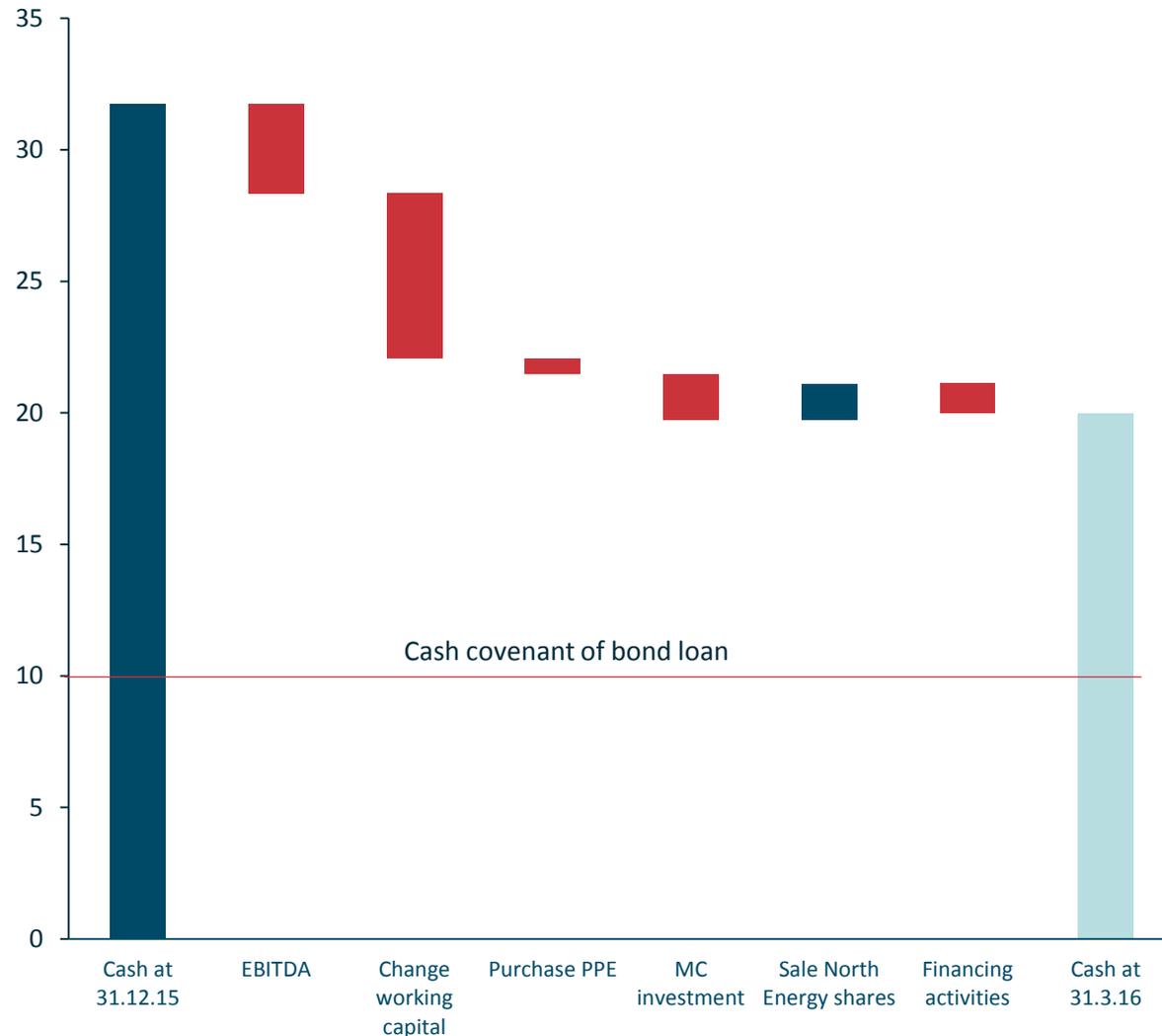


Comments

- Cost reduction measures implemented in 2015:
 - Lowered the 2016 cost base below USD 85 million
- Further cost reductions implemented in 2016:
 - As a result of lower than expected activity levels
 - Target a 2016 cost base below USD 75 million
- Restructuring:
 - Centralizing and merging departments
 - Refocusing sales

*Cost base is defined as total operational costs, i.e. charter hire, fuel and crew expenses, employee expenses and other operating expenses. The cost base includes multi-client investments, i.e. direct costs which are capitalized in the quarter

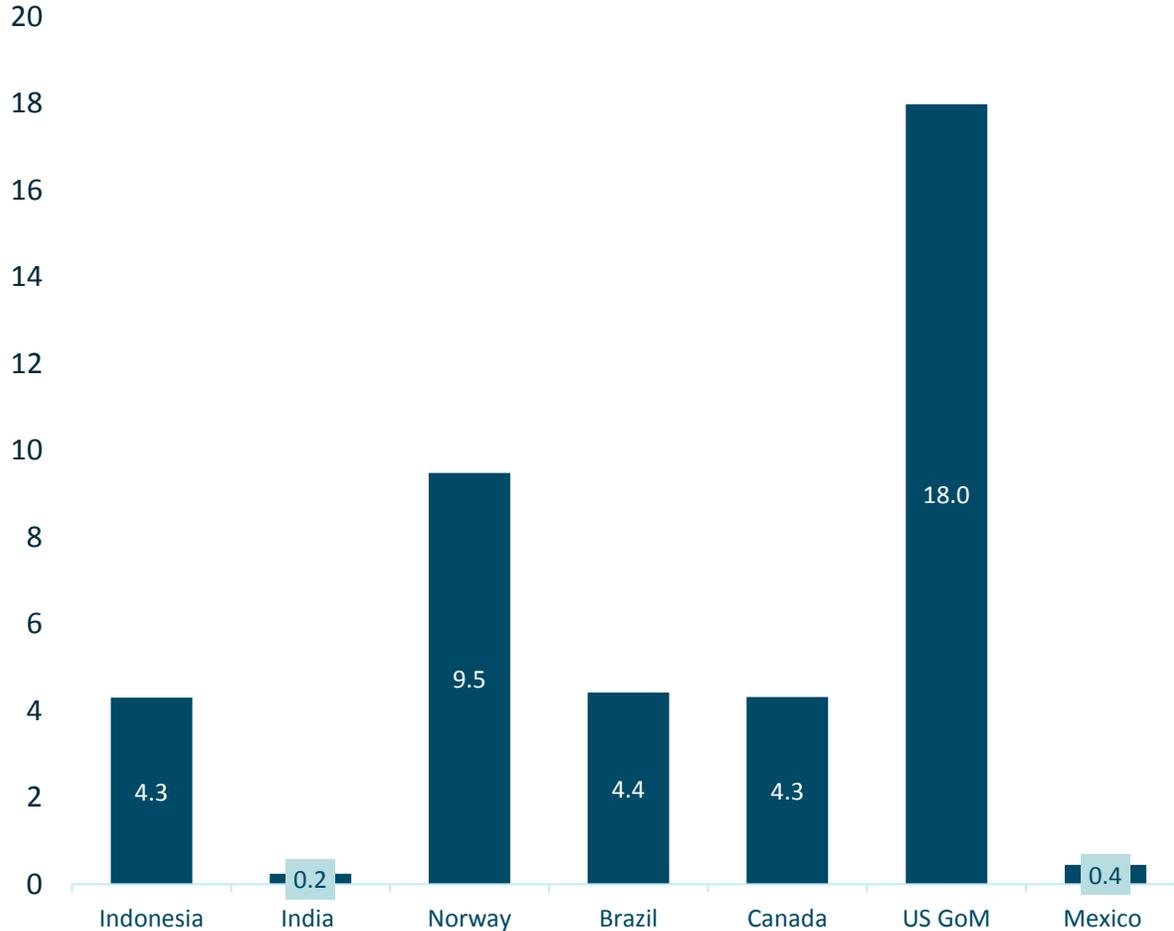
Free cash development



- Net decrease in cash of USD 11.8 million
- Cash and cash equivalents at end of Q1 of USD 25.8 million, incl restricted cash
 - Restricted cash of USD 5.8 million at end of Q1 (USD 2 million provision was released in April 2016)

Multi-client investments

Overview of book value of multi-client library (USD million)



- Multi-client investments of USD 1.7 million in Q1
 - West of India
 - Hammerfest basin, Barents Sea
 - Purchase of EM data in Mexico (reprocessing ongoing)
- Amortisation of USD 2.8 million
 - New amortisation principles from 1 January 2016
 - Straight-line amortisation
- Book value of multi-client library of USD 41.2 million at end of Q1
 - 44% of the book value relates to the US GoM
 - Perform impairment tests when indicators exist



First quarter operations

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First quarter vessel operations



EM Leader



Laid up from 15 May 2015

Atlantic Guardian



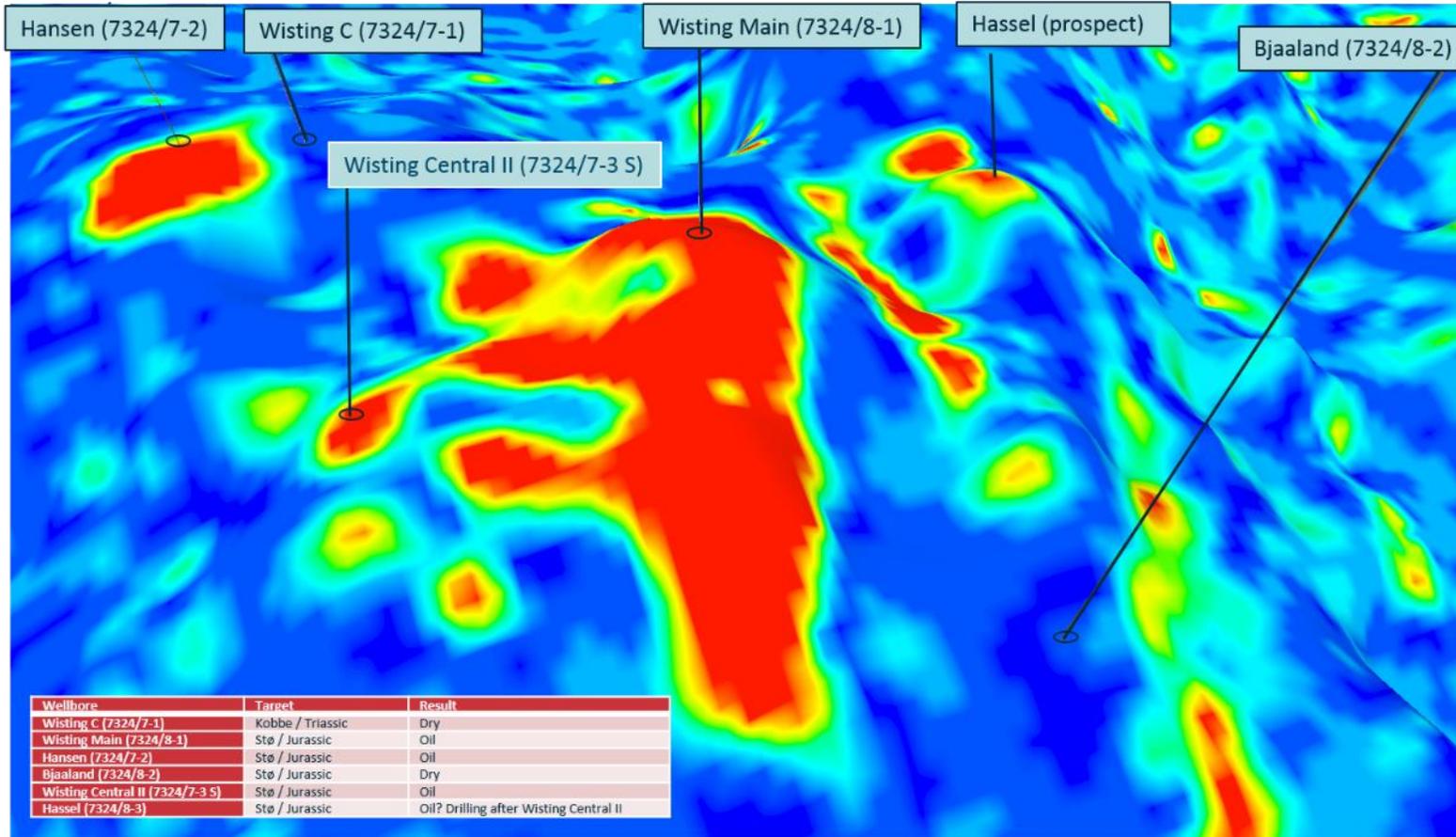
Q1 2016:
Idle January
Yard stay February
MC project March

BOA Thalassa



Q1 2016:
Contract ONGC Jan/ Feb
MC project March

Proven technology creates value to customers



- Wisting Central II discovery yet another confirmation of the benefit of using EM data in the Barents Sea
- During Q1, the NPD requested access to EMGS' regional Barents Sea EM data for APA 2016

Settlement with PGS

- Entered into a settlement agreement with PGS in April 2016
- Settles all pending litigation between the two companies, i.e. the patents remain valid
- Grants PGS a license to the EMGS patent for operation of the current PGS' Towed Streamer EM system
- Grants EMGS a license to the PGS patent
- Licenses are royalty free and valid world-wide for the validity of the relevant patent
- Opening up for joint EM and seismic surveys
- Both companies cover own legal costs

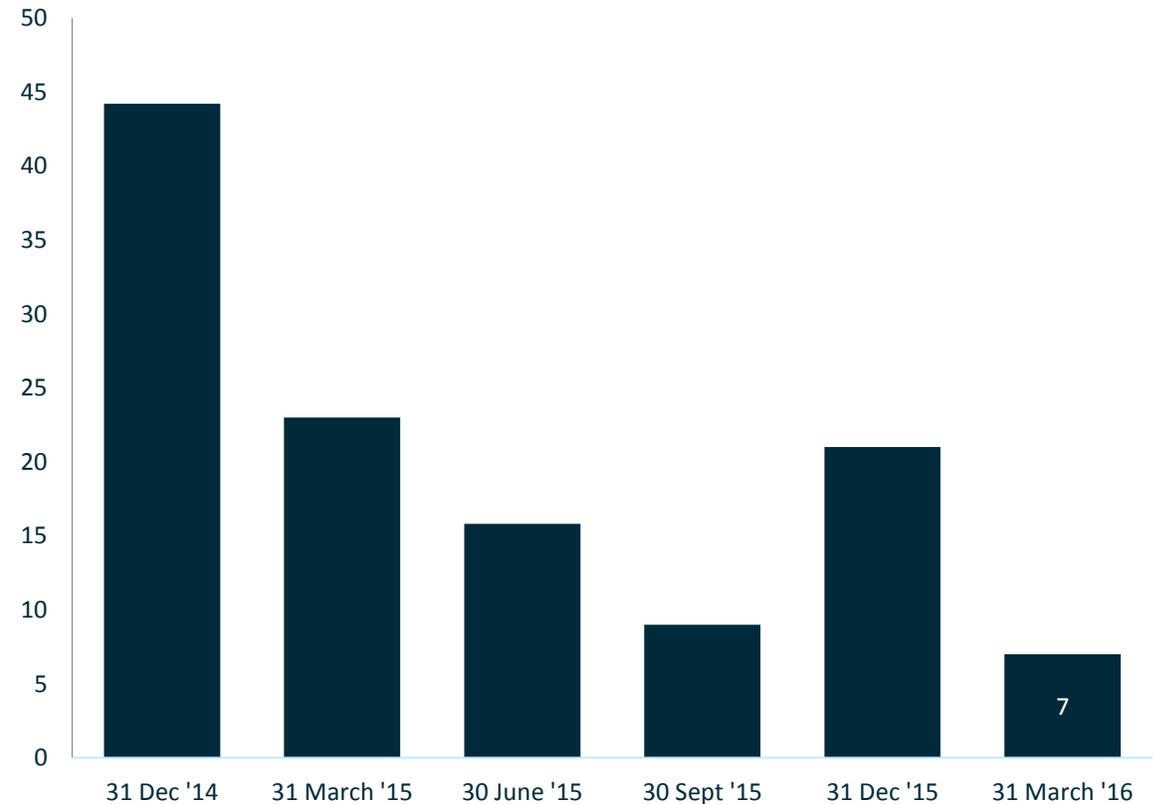
Market and outlook

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Market update

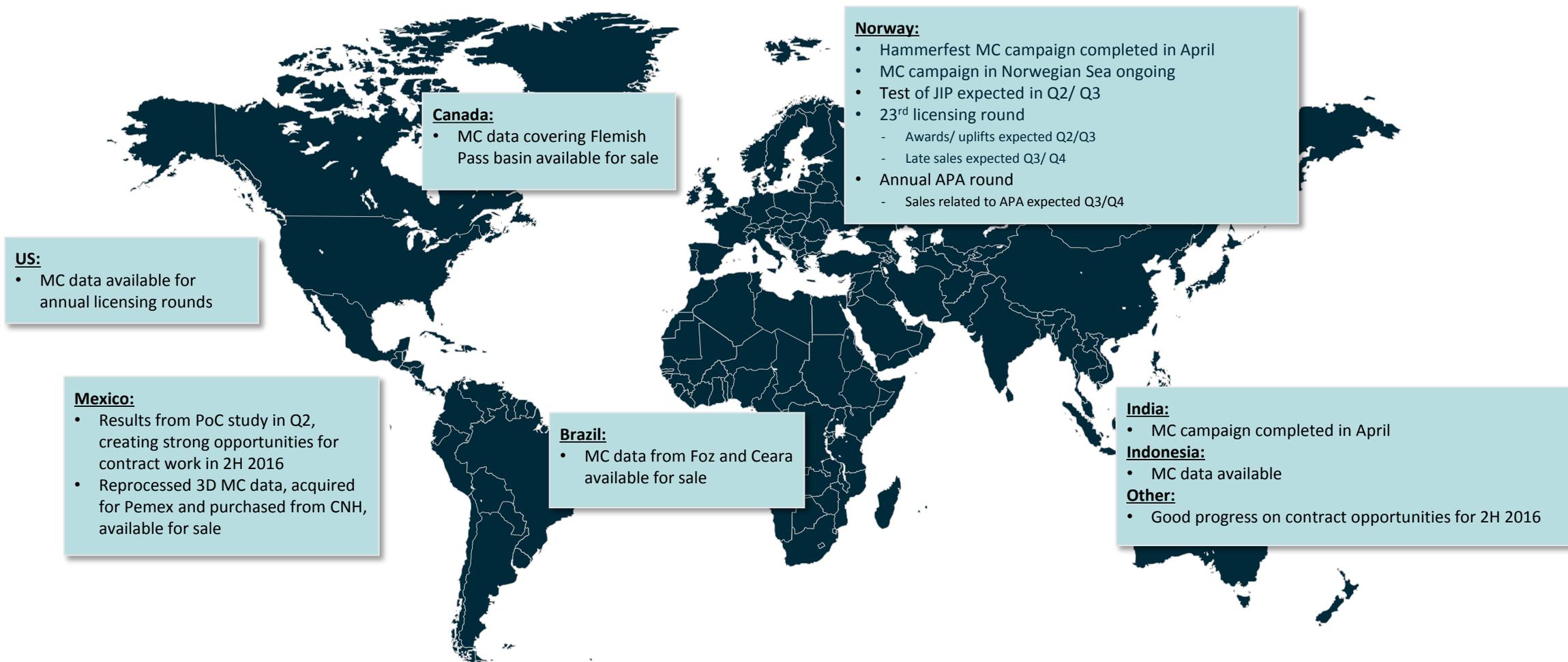
- Positive oil price development so far in 2016, 64% up from December 2015, expected to continue throughout 2016 /2017 as the oil market re-balances*
- However, 2016 capex guidance for the largest E&P players represent a 40% decline compared to the peak in 2013 and is 15-20% below 2015 spending*
- Geophysical spending in line with 2007/2008 levels*
- EMGS backlog of USD 7 million at 31 March 2016
 - USD 6 million related to Pemex contract, timing uncertain
- Experience healthy interest in technology

Order backlog - limited earnings visibility



*Source: Carnegie research and other industry reports

Current opportunities



Summary and outlook

- Slow market for oil services so far in 2016
- Cost reductions well underway
- Restructuring measures ongoing
- Market is challenging and characterised by high uncertainty
- Healthy interest in EM technology, although challenged by reduced budgets and deferred projects
- EMGS is the market leader in an attractive niche market, offering services highly complementary to traditional geophysical methods





Questions?

Spot the difference.

SPOT THE DIFFERENCE.

Appendix

Consolidated Income Statement

(USD 1 000)	Q1 2016 Unaudited	Q1 2015 Unaudited	2015 Audited
Operating revenues			
Contract sales	13 037	22 109	45 008
Multi-client pre-funding	-	(121)	3 546
Multi-client late sales	-	10 280	32 586
Total revenues	13 037	32 268	81 140
Operating expenses			
Charter hire, fuel and crew expenses	5 563	7 553	32 402
Employee expenses	7 483	13 138	44 826
Depreciation and ordinary amortisation	2 111	3 168	12 679
Multi-client amortisation	2 824	438	8 631
Impairment of long-term assets	-	2 880	31 344
Other operating expenses	3 400	4 352	20 607
Total operating expenses	21 381	31 529	150 489
Operating profit/ (loss)	(8 344)	739	(69 349)
Financial income and expenses			
Interest income	51	73	352
Interest expense	(1 038)	(964)	(4 055)
Net gains/(losses) of financial assets	(4 913)	-	(4 106)
Net foreign currency income/(loss)	(1 207)	(995)	4 155
Net financial items	(7 107)	(1 886)	(3 654)
Income/ (loss) before income taxes	(15 451)	(1 147)	(73 003)
Income tax expense	-	70	3 712
Income/ (loss) for the period	(15 451)	(1 217)	(76 715)

Financial position

(USD 1 000)	31.mar.16 Unaudited	31.mar.15 Unaudited	31.des.15 Audited
ASSETS			
Non-current assets			
Goodwill	-	14 422	-
Deferred tax asset	-	3 008	-
Multi-client library	41 187	40 108	42 267
Other intangible assets	3 409	3 031	3 703
Property, plant and equipment	15 920	16 777	16 773
Assets under construction	27 139	33 222	26 566
Financial assets	-	2 207	1 387
Total non-current assets	87 655	112 775	90 696
Current assets			
Spare parts, fuel, anchors and batteries	10 503	13 582	11 754
Trade receivables	15 633	38 464	18 580
Other receivables	6 686	17 306	5 665
Cash and cash equivalents	19 978	38 187	31 749
Restricted cash	5 806	4 332	6 680
Total current assets	58 606	111 871	74 428
Total assets	146 261	224 646	165 124

(USD 1 000)	31.mar.16 Unaudited	31.mar.15 Unaudited	31.des.15 Audited
EQUITY			
Capital and reserves attributable to equity holders			
Share capital, share premium and other paid-in equity	319 112	287 328	319 038
Other reserves	786	(5 785)	(6 416)
Retained earnings	(250 104)	(159 155)	(234 652)
Total equity	69 794	122 388	77 970
LIABILITIES			
Non-current liabilities			
Provisions	15 535	15 654	17 371
Financial liabilities	-	2 648	-
Borrowings	32 514	44 075	30 848
Total non-current liabilities	48 049	62 377	48 219
Current liabilities			
Trade payables	6 277	9 417	10 439
Current tax liabilities	5 641	4 735	5 257
Other short term liabilities	12 262	24 526	16 243
Financial liabilities	4 019	-	6 326
Borrowings	219	1 203	670
Total current liabilities	28 418	39 881	38 935
Total liabilities	76 467	102 258	87 154
Total equity and liabilities	146 261	224 646	165 124

Largest shareholders as of 9 May

#	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC.	313,769,927	23.92
2	PERESTROIKA AS	279,754,256	21.33
3	MORGAN STANLEY & CO. LLC	180,317,908	13.75
4	ODIN ENERGI	48,562,410	3.70
5	ODIN NORGE	38,709,539	2.95
6	STATOIL PENSJON	30,000,098	2.29
7	SPORTSMAGASINET AS	23,000,000	1.75
8	BÆKKELAGET HOLDING AS	17,550,000	1.34
9	NHO - P665AK	16,179,319	1.23
10	KRISTIAN FALNES AS	16,000,000	1.22
11	DNB NAVIGATOR (II)	12,781,695	0.97
12	DNB NOR MARKETS, AKSJEHAND/ANALYSE	11,525,100	0.88
13	J&J INVESTMENT AS	10,700,000	0.82
14	NORTHERN TRUST GSL CL AC	9,849,780	0.75
15	VILLA UTVIKLING AS	8,000,000	0.61
16	STATOIL FORSIKRING A.S	7,330,567	0.56
17	COLOR GROUP AS	6,239,611	0.48
18	FALNES OLAV KRISTIAN	6,000,000	0.46
19	FLATHOLMEN AS	5,480,000	0.42
20	TIGERSTADEN AS	5,000,000	0.38

Vessel charters

	BOA Thalassa	EM Leader	Atlantic Guardian
			
Firm Charter	1 April 2017	8 December 2016	18 December 2017
Q1 status	In operation, Asia	Laid up	In operation, Norway
Vessel owner	BOA Offshore	Seatrans	North Sea Shipping
Rates	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up	Fixed