EMGS FIRST QUARTER 2016.

emgs

Highlights in the first quarter.

Operational highlights

- Completed contract work in India
- Started multi-client project offshore West India
- Atlantic Guardian completed planned yard stay
- Started multi-client project in Hammerfest basin, Barents Sea
- Christiaan Vermeijden started as new CEO on 1 February

Financial highlights

- Revenues of USD 13.0 million
- EBITDA of negative USD 3.4 million

Subsequent events

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

Key financial figures

USD million (except per share data)	Q1 2016	Q1 2015	2015	Q4 2015
Contract sales	**13.0**	22.1	45.0	9.0
Multi-client sales	**-**	10.2	36.1	11.5
Total revenues	**13.0**	32.3	81.1	20.5
Operating profit/ (loss)	**-8.3**	0.7	-69.3	-23.4
Income/ (loss) before income taxes	**-15.5**	-1.1	-73.0	-22.1
Net income/ (loss)	**-15.5**	-1.2	-76.7	-24.1
Earnings/ (loss) per share	**-0.01**	-0.01	-0.10	-0.03
Average number of shares outstanding (in thousands)	**1 311 766**	199 766	755 766	755 766
EBITDA	**-3.4**	7.2	-16.7	-8.0
Multi-client investment	**1.7**	12.0	34.4	-
Adjusted EBITDA	**-5.1**	**-4.8**	**-51.1**	**-8.0**

Financial review.

Revenues and operating expenses

EMGS recorded revenues of USD 13.0 million in the first quarter of 2016, down from USD 32.3 million reported for the corresponding quarter of 2015. The revenues consist of contract sales only and are mainly related to the project completed in India. For the first quarter 2015, the contract sales totalled USD 22.1 million and the multi-client sales amounted to USD 10.2 million.

The Company recorded 4.8 vessel months in the first quarter of 2016 as opposed to 12.0 in the first quarter of 2015. Vessel utilisation was 55% in the first quarter of 2016, of which 29% of the capacity was allocated to contract work and 26% to multi-client projects. For the first quarter of 2015, the Company recorded a total utilisation of 76%, with 24% allocated to contract and 52% to multi-client projects.

Charter hire, fuel and crew expenses amounted to USD 5.6 million in the first quarter this year, compared with USD 7.6 million in the first quarter last year. The Company capitalised multi-client expenses of USD 1.7 million in the quarter, while USD 12.0 million was capitalised in the first quarter of 2015. The main reason for the decreased expenses is the reduced activity, resulting in lower vessel lease, fuel, vessel crew and other related costs. Also, the Atlantic Guardian was on a yard stay in the first quarter and lowered the vessel lease cost further.

Employee expenses amounted to USD 7.5 million in the first quarter 2016, down from USD 13.1 million in the same quarter in 2015. The decrease is mainly explained by a reduction in the number of staff and consultants.

Other operating expenses amounted to USD 3.4 million in the first quarter, including a reversal of USD 2.0 million related to the settlement of the patent case with PGS (more details in a separate section). The expenses related to patent case amounted to USD 2.6 million in the first quarter. In the first quarter of 2015, the other operating expenses amounted to USD 4.4 million.

Depreciation, amortisation and impairment

Depreciation and ordinary amortisation totalled USD 2.1 million in the first quarter of 2016, down from USD 3.2 million in the first quarter of 2015. The reduction is due to some assets being fully depreciated.

Multi-client amortisation amounted to USD 2.8 million this quarter, compared with USD 0.4 million in the first quarter of 2015. As communicated in the fourth quarter 2015 financial report, EMGS changed its multi-client amortisation principles from 1 January 2016. The Company now uses straight-line amortisation for its completed multi-client projects, assigned over the useful life of 4 years. The amortisation is distributed evenly, independently of sales during the quarter.

The Company has made no impairments of long-term assets, including the multi-client library, in the first quarter this year, while an impairment of USD 2.9 million was done in the first quarter of 2015.

Net financial items

Net financial items amounted to a negative USD 7.1 million in the first quarter 2016, compared with a negative USD 1.9 million in the corresponding quarter last year. The net financial items this quarter includes the net loss on financial assets of USD 4.9 million, consisting of a loss of USD 7.2 million related to the sale of the Company's shares in North Energy ASA and a gain of USD 2.3 million related to the forward rate agreement. The loss on the North Energy ASA shares is the accumulated loss related to the purchase of the shares in January and August 2014. The loss was reclassified from comprehensive income to net financial items in the income statement in the first quarter of 2016.

Income/(loss) before income taxes

Loss before income taxes amounted to USD 15.5 million in the first quarter 2016, compared with a loss before income taxes of USD 1.1 million in the corresponding quarter in 2015.

Income tax expenses

The Company did not record any income tax expenses in the first quarter this year, while expenses of USD 0.1 million were recorded in the first quarter last year.

Net income for the period

Loss for the first quarter of 2016 ended at USD 15.5 million, down from a loss of USD 1.2 million in the same period last year.

Cash flow and balance sheet

In the first quarter 2016, net cash flow from operating activities was negative USD 9.7 million, compared with a positive net cash flow of USD 28.1 million in the first quarter 2015. The negative cash flow this quarter is mainly caused by the negative EBITDA. In the comparable quarter last year, the cash flow was positively affected by a USD 27.1 million decrease in the trade receivables.

EMGS applied USD 1.0 million in investing activities in the first quarter this year, compared with USD 14.6 million in the first quarter last year. The Company invested USD 0.6 million in equipment and USD 1.7 million in the multi-client library, and had a positive cash flow of USD 1.4 million from the sale of shares in North Energy ASA.

The carrying value of the multi-client library was USD 41.2 million at 31 March 2016, down from USD 42.3 million at 31 December 2015.

Cash flow from financing activities was negative USD 1.1 million in the first quarter of 2016, compared with a cash flow of negative USD 0.5 million in the same quarter last year.

The Company had a net decrease in cash, excluding the restricted cash, of USD 11.8 million during the first quarter of 2016. At 31 March 2016, cash and cash equivalents totalled USD 25.8 million, including 5.8 million in restricted cash.

Financing

Total borrowings were USD 32.7 million at 31 March this year, up from USD 31.5 million at 31 December 2015 and down from USD 45.3 million at 31 March last year. This includes the Company's NOK 270 million bond loan, which has a carrying value of USD 32.0 million.

The bond loan contains the following two financial covenants; free cash and cash equivalents of at least USD 10 million and capital employed ratio of minimum 1/3. In addition, the bond agreement restricts the Company's ability, among other things, to sell the multi-client library, declare or make any dividend payments, incur additional indebtedness, change its business or enter into speculative financial derivative agreements. As of 31 March 2016, the free cash and cash equivalents totalled USD 20.0 million, while the capital employed ratio equalled 85%.

The Company's forward rate agreement is classified as a financial liability on the balance sheet.

Operational review.

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Contract	**29%**	21%	16%	5%	24%
Multi-client	**26%**	-	48%	63%	52%
Total utilisation	**55%**	21%	64%	68%	76%

Vessel utilisation and fleet allocation

Vessel utilisation for the first quarter 2016 was 55% compared with 76% for the first quarter in 2015.

In the first quarter of 2016, the Company's vessels were allocated 29% to contract and 26% to multi-client projects. In the comparable quarter of 2015, the vessels were allocated 24% to contract work and 52% to multi-client projects.

EMGS had two vessels in operation in the first quarter 2016. As the Atlantic Guardian was offhire for approximately 1.2 months due to a planned yard stay, the Company recorded 4.8 vessel months in the quarter. In the first quarter 2015, the Company had four vessels in operation and recorded 12 vessel months.

Vessel activity

BOA Thalassa

The BOA Thalassa started the announced contract work in India on 4 January 2016. The project was completed on 26 February. Following the contract work in India, the vessel commenced on a multi-client project west of India on 12 March. The project, which is not supported by industry funding, was completed on 17 April. The vessel's utilisation for the first quarter was 73%.

Atlantic Guardian

The Atlantic Guardian was idle in January and offhire on a planned yard stay from 31 January until 5 March. The vessel commenced a multi-client project in the Hammerfest Basin on 10 March. The vessel acquired 3D multi-client EM data to complement the existing data coverage in the Hammerfest basin, which is relevant for the APA 2016 licensing round. The project was completed on 26 April, after which the vessel commenced a new multi-client project in the Norwegian Sea, also covering an area relevant for upcoming licensing rounds and supported by industry interest. The multi-client projects however are currently not supported by industry funding. The vessel's utilisation for the first quarter was 38%.

EM Leader

The EM Leader has been laid up since 15 May 2015.

Vessel overview

	Utilisation Q1	Status Q1	Firm charter period	Optional charter period
BOA Thalassa	**73%**	In operation	1 April 2017	
Atlantic Guardian	**38%**	In operation	18 December 2017	3 x 12 months
EM Leader	**N/A**	Laid up from 15 May	8 December 2016	2 x 12 months

Backlog

As of 31 March 2016, EMGS' backlog was at approximately USD 7 million, compared with a backlog of USD 23 million at the end of the first quarter 2015. Of the backlog per 31 March, USD 6 million is related to the Pemex contract. Pemex and EMGS have currently not agreed on when EMGS will start working under the contract again.

Events in the first quarter

Sale of shares in North Energy ASA

In January 2016, EMGS sold its 11,851,463 shares in North Energy ASA at a price of NOK 1.02 per share. Following the transaction, EMGS holds no shares in North Energy ASA.

At 31 December 2015, the fair value of the shares amounted to USD 1.4 million and the shares were sold at a price of USD 1.4 million in January 2016. The accumulated loss from the purchase of the shares in February and August 2014 was USD 7.2 million. The amount was reclassified from comprehensive income to net financial items in the first quarter of 2016.

Subsequent events

Settlement agreement with PGS

On 13 April, EMGS announced that the Company had entered into a Settlement Agreement with Petroleum Geo-Services ASA (PGS) to settle the two companies' patent disputes.

The patent disputes started in December 2013, when EMGS filed a case in the United Kingdom against PGS in the High Court of Justice, Chancery Division, Patents Court. EMGS alleged that PGS had infringed EMGS's European patent EP 1256019 ("Refracted Wave Patent"). EMGS also initiated a parallel proceeding before Oslo City Court in Norway on 4 April 2014 relating to PGS' Towed Streamer EM technology for infringement of EMGS's parallel Norwegian patent, NO 324 454 (the "EMGS Patent").

On 5 March 2015, PGS EM Limited filed a case in the U.S. District Court for the District of Delaware against EMGS. This case alleged that the EMGS Defendants have, at least by their survey activities in the Gulf of Mexico and on the U.S. outer continental shelf and by their interactions with U.S. customers and their importation of certain data products into the U.S., infringed PGS-owned U.S. patent 6,914,433, titled "Detection of Subsurface Resistivity Contrasts with Application to Location of Fluids".

The Settlement Agreement grants PGS a license to the EMGS patent for operation of its Towed Streamer EM system. EMGS is similarly granted a license to the PGS patent. Both licenses are royalty free and valid world-wide for the validity period of the relevant patent.

The Settlement Agreement also opens up for joint EM and seismic surveys in the future between EMGS and PGS. Both EMGS and PGS support the validity of both the EMGS Patent and the PGS Patent. Both companies will cover their own legal costs.

Changes to the organisation to reduce cost and increase efficiency

On 14 April, EMGS announced that the Company will implement changes to the organisation to reduce the Company's cost base and increase efficiency in line with the level of expected activity.

The Company is currently implementing several structural changes to the organisation, including centralising and / or merging departments, in addition to other measures to reduce cost. The changes will result in a reduction of the global headcount by about 15%.

The Company expects to book restructuring charges of approximately USD 0.7 million in the second quarter of 2016. The additional cost measures will be in full effect from the third quarter 2016 and are expected to further reduce the annualized cost base by USD 10 million to 15 million depending on the level of activity. Following the recent cost reduction measures, the Company currently expects its cost base for 2016 to be below USD 75 million.

Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. The share traded between NOK 0.24 and NOK 0.36 per share in the quarter and the last closing price before 31 March 2016 was NOK 0.25.

As communicated in the fourth quarter 2015 financial report, the Board of EMGS will propose to the annual general meeting to do a reversed share split of 1 to 40 shares with a new par value of NOK 10.00.

As of 31 March 2016, EMGS had a total of 1,311,765,555 shares outstanding.

Risks and uncertainty factors

EMGS is subject to a number of risk factors, of which the most important is the demand for EM services. The low oil price has resulted in a substantial decline in the E&P spending, and a corresponding sharp deterioration of the market for geophysical services, including EMGS' services.

During 2015, EMGS Board and management implemented comprehensive cost reduction measures and completed a financial restructuring to improve the Company's financial position. As mentioned above, management has recently implemented additional changes to the organisation to further reduce the Company's cost base in line with the level of expected activity under the current market conditions.

EMGS management has a close follow-up of the Company's liquidity risk, including weekly updates of the Company's sales forecast and vessel schedule, and a corresponding update of the Company's cost and cash forecast.

Based on the Company's low backlog and the current market situation, there is material uncertainty related to the expected level of revenues going forward. This could put pressure on the Company's cash position and consequently the bond covenant related to free cash.

The measures undertaken have been deemed necessary and sufficient, but the ever changing exogenous factors in the industry will impact the business and risk factors going forward and they represent added uncertainties.

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' 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 2015.

Outlook

The market outlook for oil services is challenging and characterised by high uncertainty. Oil companies have continued to announce further reductions in their spending for 2016 compared to 2015 as a response to the sharp decline in oil price. The interest in the EM technology from the oil companies is healthy, although challenged by the reduced budgets and project deferrals.

The awards for the 23rd licensing round in Norway are expected in the second quarter of 2016. The Company expects that the awards will trigger both uplift multi-client sales and multi-client late sales.

Based on the current operational forecast, EMGS expects to operate two vessels in 2016. The Company expects to keep one vessel in Asia throughout 2016, while the other vessel is expected to operate in Europe and the Americas. EMGS will continue to invest in its multi-client library in selected areas. Capital investments are mainly limited to the joint industry project (JIP).

Oslo, 11 May 2016
Board of Directors and CEO

Consolidated Income Statement.

Amounts in 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 tax	**-15 451**	**-1 147**	**-73 003**
Income tax expense	**-**	70	3 712
Income/(loss) for the period	**-15 451**	**-1 217**	**-76 715**

Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	**Q1 2016 Unaudited**	Q1 2015 Unaudited	2015 Audited
Income/ (loss) for the period	**-15 451**	**-1 217**	**-76 715**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	**-**	-	28
Net (loss)/gain on available-for-sale (AFS) financial assets	**7 202**	-2 559	-3 218
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit plans	**-**	-	-
Other comprehensive income	**7 202**	**-2 559**	**-3 190**
Total comprehensive income/ (loss) for the period	**-8 249**	**-3 776**	**-79 905**

Consolidated Statement of Financial Position.

Amounts in USD 1 000	31 March 2016 Unaudited	31 March 2015 Unaudited	31 December 2015 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**
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**

Consolidated Statement of Cash Flows.

Amounts in USD 1 000	**Q1 2016 Unaudited**	Q1 2015 Unaudited	2015 Audited
Net cash flow from operating activities			
Income/ (loss) before income taxes	**-15 451**	-1 147	-73 003
Adjustments for:			
Witholding tax expenses	**877**	-	987
Total taxes paid	**-494**	92	-1 008
Depreciation and ordinary amortisation	**2 111**	3 168	12 679
Multi-client amortisation and impairment	**2 824**	3 318	23 952
Impairment other long-term assets	**-**	-	16 023
Cost of share-based payment	**74**	-69	104
Change in trade receivables	**2 947**	27 067	46 951
Change in inventories	**1 251**	1 324	3 152
Change in trade payables	**-4 163**	-3 946	-2 924
Change in other working capital	**-245**	-2 610	-229
Financial gain on bond repayment	**-**	-	-2 088
Amortisation of interest	**593**	935	3 709
Net cash flow from operating activities	**-9 676**	**28 132**	**28 305**
Investing activities			
Purchase of property, plant and equipment	**-586**	-2 595	-7 658
Investment in multi-client library	**-1 744**	-12 031	-34 379
Sale of financial assets	**1 375**	-	-
Cash used in investing activities	**-955**	**-14 626**	**-42 037**
Financial activities			
Financial lease payments - principal	**-140**	-44	-299
Proceeds from issuance of ordinary shares	**-**	-	31 536
Proceeds from new loan	**-**	945	945
Repayment of loan	**-409**	-629	-8 898
Payment of interest on bonds	**-592**	-805	-3 015
Cash provided by financial activities	**-1 141**	**-533**	**20 269**
Net increase in cash	**-11 771**	**12 974**	**6 536**
Cash balance beginning of period	**31 749**	25 213	25 213
Cash balance end of period	**19 978**	38 187	31 749
Increase in cash	**-11 771**	**12 974**	**6 536**

Consolidated statement of changes in equity.

Amounts in USD 1 000	Share capital share premium and other paid-in equity	Foreign currency translation reserves	Available-for-sale reserve	Actuarial gains/(losses)	Retained earnings	Total equity
Balance at1 January 2015 (Audited)	**287 398**	**-1 750**	**-3 984**	**2 508**	**-157 938**	**126 234**
Income/(loss) for the period	-	-	-	-	-1 217	**-1 217**
Other comprehensive income	-	-	-2 559	-	-	**-2 559**
Total comprehensive income	-	-	-2 559	-	-1 217	**-3 776**
Cost of share-based payment	**-69**	-	-	-	-	**-69**
Balance at 31 March 2015 (Unaudited)	**287 328**	**-1 750**	**-6 543**	**2 508**	**-159 155**	**122 388**
Income/(loss) for the period	-	-	-	-	-26 011	**-26 011**
Other comprehensive income	-	-8	-225	-	-	**-233**
Total comprehensive income	-	-8	-225	-	-26 011	**-26 244**
Cost of share-based payment	**166**	-		-	-	**166**
Balance at 30 June 2015 (Unaudited)	**287 494**	**-1 758**	**-6 768**	**2 508**	**-185 166**	**96 310**
Income/(loss) for the period	-	-	-	-	-25 369	**-25 369**
Other comprehensive income	-	36	-84	-	-	**-48**
Total comprehensive income	-	**36**	**-84**	-	**-25 369**	**-25 417**
Cost of share-based payment	**141**	-	-	-	-	**141**
Balance at 30 September 2015 (Unaudited)	**287 635**	**-1 722**	**-6 852**	**2 508**	**-210 535**	**71 034**
Income/(loss) for the period	-	-	-	-	-24 118	**-24 118**
Other comprehensive income	-	-	-350	-		**-350**
Total comprehensive income	-	-	**-350**	-	**-24 118**	**-24 468**
Cost of share-based payment	**-133**	-	-	-	-	**-133**
Proceeds from shares issued	**31 536**	-	-	-	-	**31 536**
Balance at 31 December 2015 (Unaudited)	**319 038**	**-1 722**	**-7 202**	**2 508**	**-234 653**	**77 970**
Income/(loss) for the period	-	-	-	-	-15 451	**-15 451**
Other comprehensive income	-	-	7 202	-	-	**7 202**
Total comprehensive income	-	-	**7 202**	-	**-15 451**	**-8 249**
Cost of share-based payment	75	-	-	-	-	**75**
Balance at 31 March 2016 (Unaudited)	**319 112**	**-1 722**	**-**	**2 508**	**-250 104**	**69 794**

Notes to the Financial Statements.

Accounting principles

These interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjuction with the Group's annual financial statements as of 31 December 2015, which is available on www.emgs.com.

As from 1 January 2016, the following amendments to the accounting standards have become effective:

IAS 16 & IAS 38 amendments Clarification of Acceptable Methods of depreciation

The amendments to these standards clarifiy that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate as it is an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

The Group has implemented the following changes to amortisation of the multi-client library from 1 January 2016:

- During the acquisition and processing phase, amortisation continues to be based on total cost versus forecasted total revenues of the project.
- After a project is completed, a straight-line amortisation is applied. The straight-line amortisation is assigned over a remaining useful life, which for most projects is expected to be four years. The straight-line amortisation is be distributed evenly through the financial year independently of sales during the quarters.

The amendments have prospective effects, the comparative financial figures have not been changed.

Except for the amendments described above, the Group has applied the same accounting policies as in the Group's Annual Financial Statements for the year ended 31 December 2015.

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.

USD million	**Q1 2016 Unaudited**	Q1 2015 Unaudited	2015 Audited	2014 Audited
Americas	**0.2**	20.8	36.1	86.2
Asia/Pacific	**12.5**	-	11.0	5.3
EMEA	**0.4**	11.5	34.0	86.3
Total	**13.0**	**32.3**	**81.1**	**177.8**

Sale of shares in North Energy ASA

In January, EMGS sold its 11 851 463 shares in North Energy ASA for NOK 1.02 per share. Following the transaction, EMGS holds no shares in North Energy ASA. At 31 December 2015, the fair value of the shares amounted to USD 1.4 million, and the shares were sold at a price of USD 1.4 million in January. The accumulated loss of the shares of USD 7.2 million was reclassified from Comprehensive income to Net financial items in the Consolidated income statement in the first quarter of 2016.

Multi-client library

The multi-client library consists of electromagnetic data acquired through multi-cient surveys, i.e. EMGS owns the data. The electromagnetic data can be licensed to customers on a non-exclusive basis. Directly attributable costs associated with multi-client projects such as acquisition costs, processing costs, and other direct project costs are capitalised.

USD 1000	**Q1 2016**	Q1 2015	2015	2014
Opening carrying value	**42 267**	33 758	33 758	28 108
Additions	**1 744**	12 031	36 812	28 272
Amortisation charge	**-2 824**	-438	-8 631	-12 595
Impairment	**-**	-2 880	-15 321	-2 002
Cash contribution from partners	**-**	-2 363	-4 351	-8 025
Closing carrying value	**41 187**	**40 108**	**42 267**	**33 758**

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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Notes.

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