



EMGS ASA – SECOND QUARTER PRESENTATION 2011

CEO, Roar Bekker
CFO, Svein Knudsen
Hotel Continental, 25 August 2011



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 Q2

Record financial results

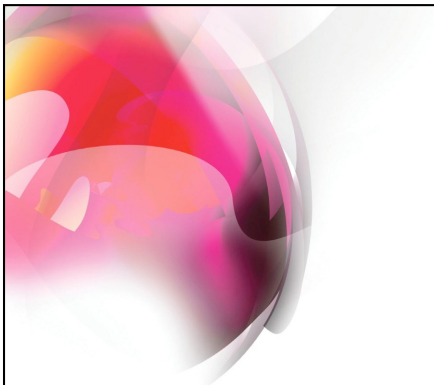
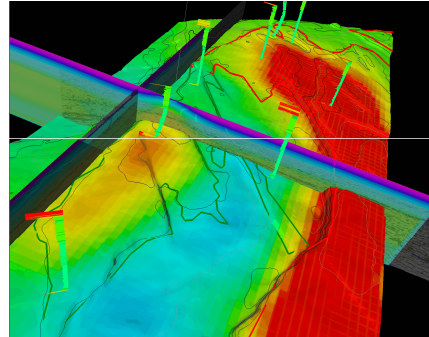
- Revenues of USD 47.6 million
- EBITDA of USD 16.5 million

Excellent operational performance

- Exceptional productivity on BOA Thalassa
- BOA Galatea projects on track
- Atlantic Guardian mobilised – back-to-back surveys through the quarter

Strong market activity

- USD 90 million contract with Petrobras
- Solid backlog
- Fourth equipment set in production



FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

Financial results

- Revenues of USD 47.6 million
- EBITDA of USD 16.5 million
- Net income of USD 3.7 million

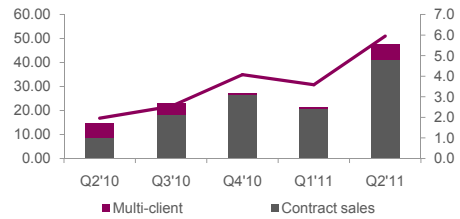
Vessel utilisation at 80%

- BOA Galatea: 79%
- BOA Thalassa: 97%
- Atlantic Guardian: 63%

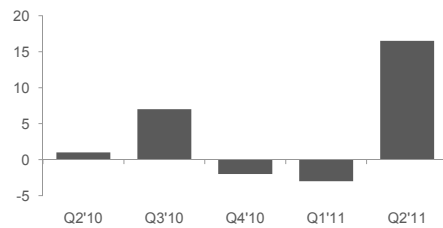
Strong financial position

- NOK 250 million bond due in May 2014
- Cash position end Q2: USD 77.6 million
- USD 20 million callable bond repaid in July

Revenues and revenues per vessel month (USD Million)

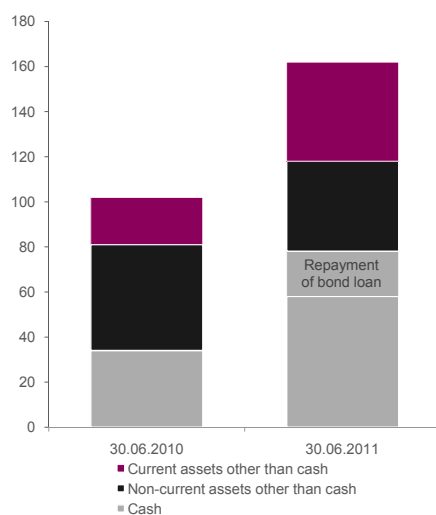


EBITDA (USD Million)

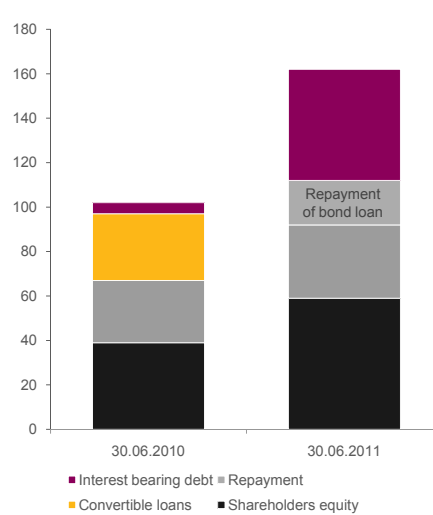


CAPITAL STRUCTURE

Assets (USD million)



Equity and liabilities (USD million)



OPERATIONAL COSTS

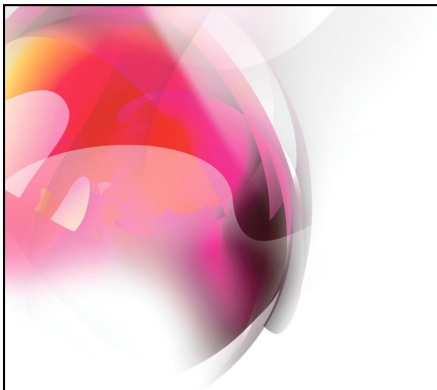
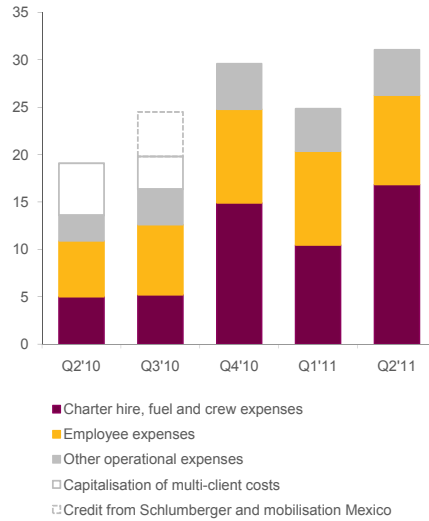
Maximising productivity

- Helicopter crew changes
- Use of supply vessel for transfer of parts and provisions
- High-speed steaming

Stable cost level ahead

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

Operational costs (USD Million)



OPERATIONAL OVERVIEW

CONTRACT WITH PETROBRAS

Second largest EM contract

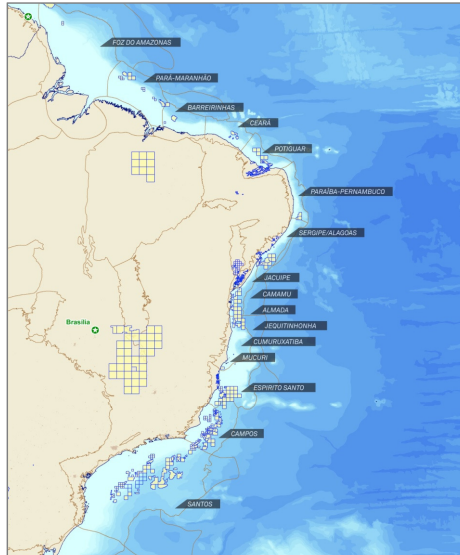
- USD 90 million
- Approximately one year

Portfolio de-risking

- Frontier and mature basins
- Large-scale adoption

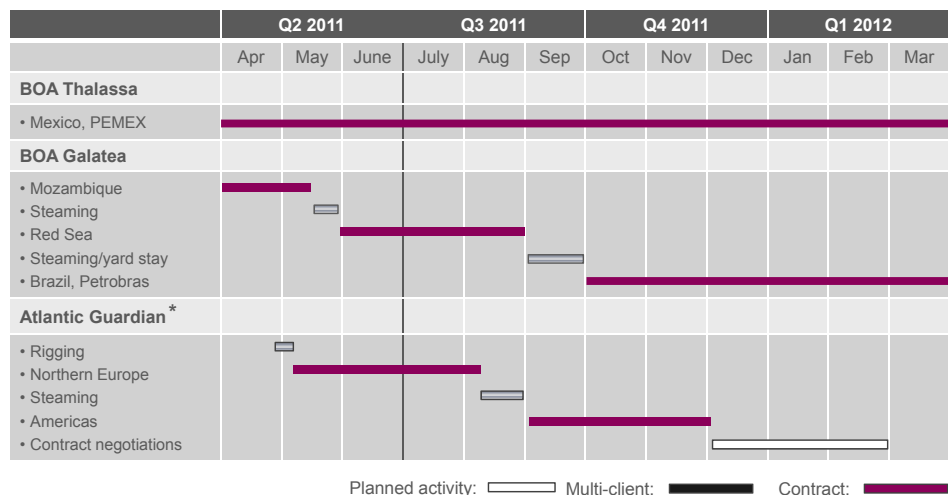
Provides a strong foothold

- Brazilian market of major strategic importance
- Prolific oil region
- Ideal for multi-client



emgs

VESSEL ACTIVITY AND BACKLOG



* Charter extended from 25 October to 25 December

UPDATE ON CONTRACT WITH PEMEX

Record-breaking production

- Streamlining of operations
- Increased towing speed
- Technical downtime (3%) at all-time low
- Q2 revenues of USD 24.2 million

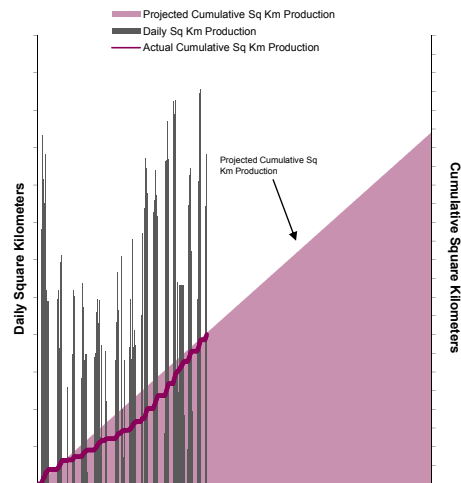
EM knowledge transfer

- EM Summer school in Mexico: 33 students/professors from 5 universities
- EMGS team dedicated to data interpretation and integration

Production going forward

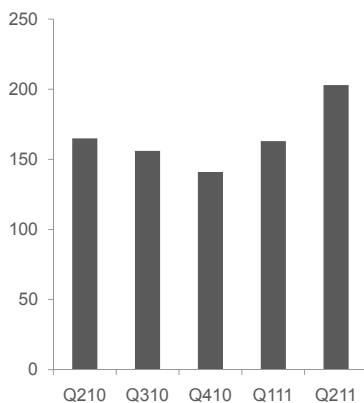
- Dependant on depths and weather
- Continued high production

Production BOA Thalassa



MARKET UPDATE

Order book (USD Million)



Order book at USD 203 million

- Strong opportunity pipeline
- Industry adoption gaining ground

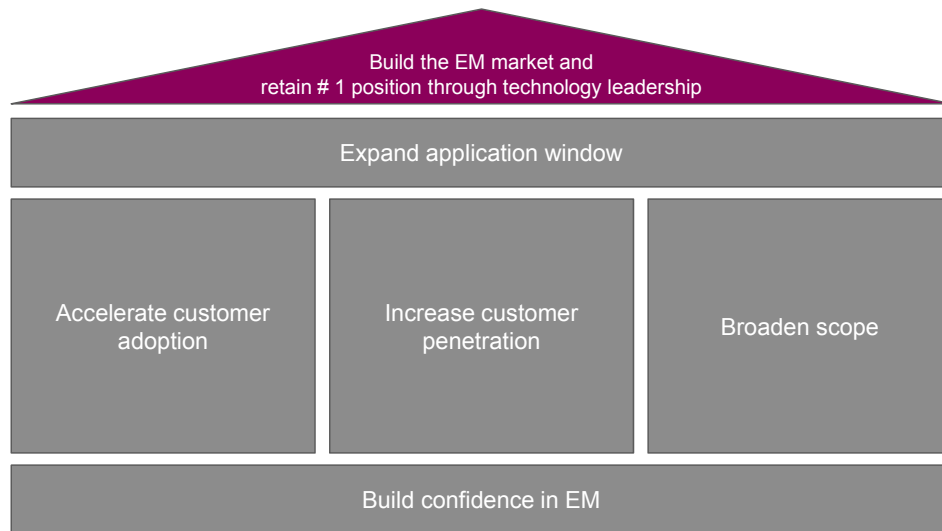
Continued focus on NOCs

- Less sensitive to oil price and current market turmoil
- Growing interest
- Petrobras contract confirms marketing strategy

Fourth equipment set

- Source and handling system in place
- 150 receivers in production with delivery in Q1 2012

EMGS STRATEGY TOWARDS 2015



SUMMARY AND OUTLOOK

SUMMARY

Record-high financial results

High operational activity and productivity

Third vessel in operation

Refinancing successfully completed

Large contract awarded by Petrobras



 emgs

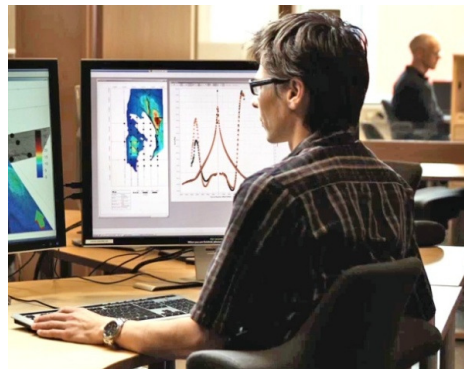
OUTLOOK

Adoption gaining momentum

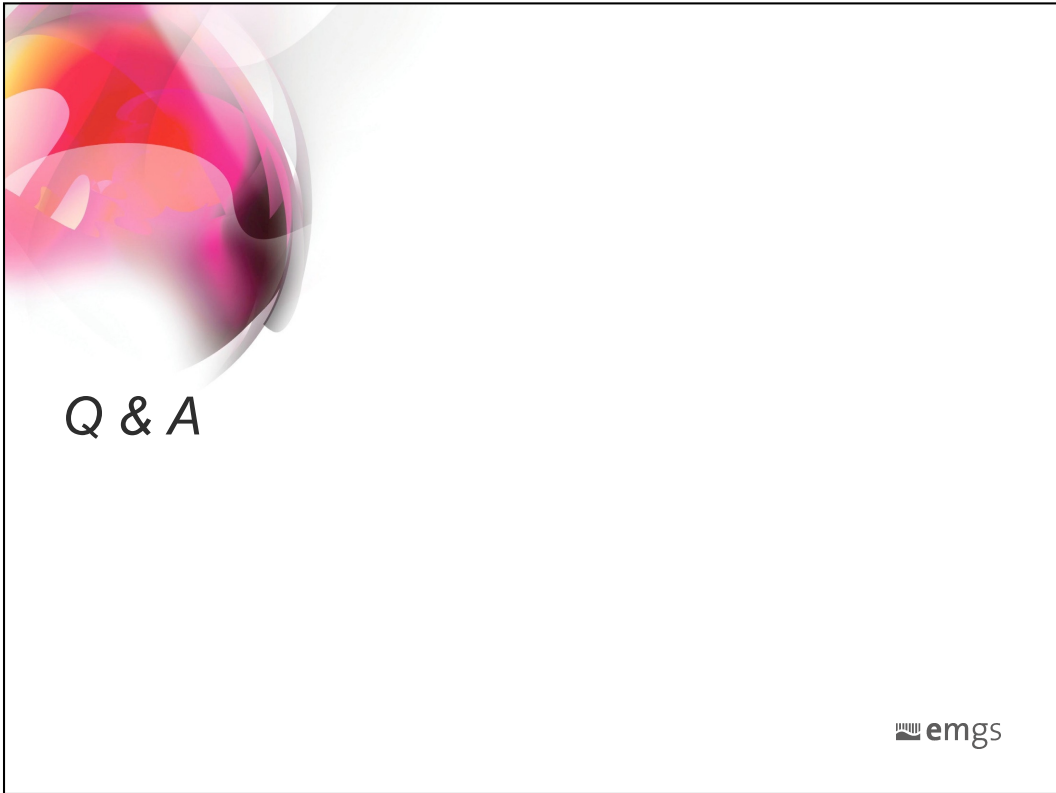
Fourth equipment set in production

Expect 2011 revenues close to
USD 150 million

Expect positive Net Income for 2011
and improved balance sheet



 emgs



CONSOLIDATED INCOME STATEMENT

USD million	QUARTER ENDING		HALF YEAR ENDING	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Revenues	47.6	14.7	69.1	25.4
Charter hire, fuel and crew expenses	16.8	5.0	27.3	12.8
Employee expenses	9.4	5.9	19.3	13.2
Other operating expenses	4.8	2.7	9.3	5.9
EBITDA	16.5	1.2	13.2	(6.4)
Depreciation and ordinary amortisation	3.4	4.9	6.8	10.1
Multi-client amortisation	2.6	2.1	2.6	2.4
EBIT	10.5	(5.8)	3.8	(18.9)
Net financial items	(3.7)	1.1	(9.6)	0.6
Share of profit of joint venture	-	-	-	-
Profit/(loss) before tax	6.9	(4.6)	(5.8)	(18.3)
Income tax expense	3.2	0.1	3.9	0.1
Net profit/(loss)	3.7	(4.7)	(9.7)	(18.4)



CONSOLIDATED BALANCE SHEET

USD million	PERIOD ENDING	
	30.06.2011	31.12.2010
ASSETS		
Intangible assets	6.2	7.8
Property, plant and equipment	23.4	23.1
Assets under construction	10.5	9.1
Investment in joint venture	0.0	3.0
Restricted cash	7.9	7.3
Total non-current assets	48.1	50.4
Trade receivables	27.3	20.6
Other current assets	16.4	13.8
Cash and cash equivalents	40.1	21.3
Restricted cash	29.5	10.9
Total current assets	113.4	66.6
TOTAL ASSETS	161.5	117.0
EQUITY AND LIABILITIES		
Total equity	59.0	2.2
Total non-current liabilities	73.6	28.1
Trade payables	10.1	12.8
Current tax liability	4.0	0.9
Provisions	0.0	0.8
Other short term liabilities	13.1	13.0
Borrowings	1.7	59.2
Total current liabilities	28.8	86.7
TOTAL EQUITY AND LIABILITIES	161.5	117.0



CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	QUARTER ENDING	
	30.06.2011	30.06.2010
Net cash flow from operating activities	2.3	(15.0)
Net cash flow from investing activities	(6.5)	(8.1)
Net cash flow from financial activities	42.3	27.9
Net increase in cash	38.0	4.8



LARGEST SHAREHOLDERS (AS OF 24 AUGUST)

	SHAREHOLDER	SHARES	HOLDING
1	WARBURG PINCUS	41 873 434	22.26 %
2	FUGRO NORWAY AS	27 777 778	14.77 %
3	ODIN NORGE	7 566 624	4.02 %
4	ODIN OFFSHORE	5 770 518	3.07 %
5	JPMORGAN CHASE BANK	3 859 816	2.05 %
6	SKANDINAVISKA ENSKILDA BANKEN	3 765 875	2.00 %
7	DNB NOR SMB	3 485 651	1.85 %
8	UBS SECURITIES LLC	3 432 512	1.83 %
9	JP MORGAN CLEARING CORP.	3 329 430	1.77 %
10	DNB NOR NAVIGATOR	2 485 134	1.32 %
11	VPF NORDEA KAPITAL	2 465 881	1.31 %
12	STATOIL PENSJON	2 428 224	1.29 %
13	BRUHEIM BJARTE	2 205 088	1.17 %
14	SUNDT AS	2 200 000	1.17 %
15	DELPHI NORGE	2 100 000	1.12 %

