EMGS SECOND QUARTER & FIRST HALF YEAR 2011 REPORT

25/08/2011

emgs

HIGHLIGHTS IN THE SECOND QUARTER 2011

- Total revenues at USD 47.6 million for the quarter
- EBITDA of USD 16.5 million
- Third crew mobilised and in operation from 8 May
- NOK 150 million bond loan from Fugro converted to shares
- Major international oil company joined EMGS and Shell in Joint Industry Project (JIP)
- Successful completion of NOK 250 million unsecured bond issue with maturity in May 2014
- High-resolution Barents Sea survey awarded by Statoil

Subsequent important events:

- USD 20 million callable bond repaid in July
- EMGS awarded USD 90 million contract by Petrobras

KEY FINANCIAL FIGURES

USD million (except per share data)	Q2 2011	Q2 2010	First half year 2011	First half year 2010	2010	Q1 2011
Revenues	**47.6**	14.7	69.1	25.4	75.4	21.5
Operating profit/(loss)	**10.5**	(5.8)	3.8	(19.0)	(24.9)	(6.7)
Income/(loss) before income taxes	**6.9**	(4.6)	(5.9)	(18.3)	(56.3)	(12.7)
Earnings per share	**0.02**	(0.03)	(0.06)	(0.13)	(0.40)	(0.09)
Average number of shares outstanding (in thousands)	**173 942**	139 580	170 951	137 577	137 699	156 814
EBITDA	**16.5**	1.2	13.2	(6.4)	(2.4)	(3.3)
Multi-client investment	**-**	5.5	-	7.9	11.3	-
Adjusted EBITDA	**16.5**	(4.3)	13.2	(14.3)	(13.6)	(3.3)

Information related to shares is for ordinary shares. The number of ordinary shares outstanding at 30 June 2011, was 188 078 693.

*Adjusted EBITDA is EBITDA adjusted for the capitalisation of operating expenses related to multi-client surveys.

FINANCIAL REVIEW

Revenues and operating expenses

EMGS recorded revenues of USD 47.6 million in the second quarter of 2011, up from USD 14.7 million in the second quarter of 2010. Contract sales totalled USD 41.2 million, whilst multi-client sales came in at USD 6.4 million. In the corresponding period last year EMGS recorded multi-client sales of USD 5.9 million. The increase in revenues is mainly due to record-high productivity on the BOA Thalassa, which resulted in revenues of USD 24.2 million for the period. Also, the company's fleet increased from two to three revenue-generating vessels when the Atlantic Guardian came into operation on 8 May. This vessel contributed USD 5.7 million to the second quarter revenues, while the BOA Galatea contributed USD 10.6 million.

Revenues for the first half year of 2011 came in at USD 69.1 million compared with USD 25.4 million for the first half year of 2010.

Charter hire, fuel and crew expenses totalled USD 16.8 million in the second quarter 2011, up from USD 5.0 million in the corresponding quarter in 2010. The expenses in 2010 were low mainly due to the fact that costs for vessels not in operation were accrued for under onerous contracts in the fourth quarter of 2009, as well as capitalisation of multi-client costs of USD 5.5 million. The fuel expenses in the second quarter of 2011 were affected by high operational activity, higher fuel prices and steaming.

For the first half year of 2011, charter hire, fuel and crew expenses came in at USD 27.3 million, up from USD 12.8 million in 2010.

Employee expenses increased from USD 5.9 million in the second quarter of 2010 to USD 9.4 million in the second quarter 2011 owing to high operational activity, as reflected in the higher revenues.

Employee expenses for the first half year were USD 19.3 million and USD 13.2 million in 2011 and 2010 respectively.

Other operational costs increased from USD 2.7 million in the second quarter last year to USD 4.8 million this quarter. This is mainly due to increased activity level in the second quarter of 2011.

For the first half year 2011, other operational costs came in at USD 9.3 million, up from USD 5.9 million in 2010.

Depreciation and amortisation

Depreciation and ordinary amortisation totalled USD 3.4 million in the second quarter 2011, down from USD 4.9 million in the same quarter in 2010. The reduction is due to the reduced capital expenditure throughout 2009 to date, along with assets becoming fully depreciated.

Multi-client amortisation totalled USD 2.6 million in the second quarter of 2011 and USD 2.1 million in the second quarter of 2010.

Depreciation and amortisation decreased from USD 10.1 million in the first half of 2010 to USD 6.8 million in 2011.

Net financial items

Net financial items was negative USD 3.7 million in the second quarter of 2011, while a gain of USD 1.1 million was reported in the corresponding period in 2010. The financial items were negatively affected by the weakening of the

USD to NOK. The currency loss for the second quarter of 2011 was USD 2.2 million, compared with a currency income of USD 2.5 million in the second quarter of 2010.

For the first half year of 2011, a negative USD 9.7 million was reported, while the corresponding figure for 2010 was a positive USD 0.6 million.

Result before income taxes

EMGS recorded an income before income taxes of USD 6.9 million in the second quarter 2011, compared with a loss of USD 4.6 million in the corresponding quarter in 2010.

Loss before income taxes for the first half of 2011 was USD 5.9 million, compared with a loss of USD 18.3 million for the same period last year.

Income tax expenses

Income tax expenses of USD 3.2 million were recorded in the second quarter of 2011, compared with income tax expenses of USD 0.1 million in the second quarter of 2010. These taxes relate to profits earned in foreign jurisdictions.

Income tax expenses for the first half year of 2011 were USD 3.9 million, compared with USD 0.1 million for the same period in 2010.

Net result for the period

Net result for the second quarter of 2011 ended at a positive USD 3.7 million, up from a loss of USD 4.7 million in the same period last year.

Loss for the first half year of 2011 was USD 9.7 million, up from a loss of USD 18.5 million in 2010.

Balance sheet and cash flow

Cash and cash equivalents totalled USD 77.6 million at 30 June 2011, compared with USD 39.6 million at 31 December 2010. USD 37.5 million of the cash at 30 June 2011 was restricted, mainly due to accrual for refinancing of existing debt and client performance guarantees.

Trade receivables were USD 27.3 million at 30 June 2011, up from USD 20.6 million at 31 December 2010.

Total borrowings were USD 69.6 million at 30 June 2011, compared with USD 82.2 million at 31 December 2010. The borrowings were reduced in the first quarter of 2011 mainly due to reclassification of the fair value of the conversion right on the NOK 150 million convertible bond of USD 30.6 million as a consequence of EMGS ASA changing its functional currency from USD to NOK. In addition, the USD 5.0 million convertible bond was converted into shares in March 2011. In May 2011, EMGS completed an issue of a new unsecured bond of NOK 250 million.

Cash flow from operating activities was positive at USD 2.3 million for the half year ended 30 June 2011, compared with a negative cash flow from operating activities of USD 15.0 million in the comparable period in 2010.

Cash applied in investing activities in the first half year of 2011 amounted to USD 6.5 million, compared with USD 8.1 million in the same period in 2010, the majority of which was in the multi-client library.

Cash flow from financial activities was positive at USD 42.3 million in the first half year of 2011 mainly due to proceeds from the new bond loan of NOK 250 million. The comparable amount in 2010 was positive USD 27.9 million due to proceeds from a subsequent offering.

OPERATIONAL REVIEW

EMGS defines 'utilisation' as vessel time spent on contracted or committed work, including paid mobilisation. The company's vessel utilisation in 2010 and 2011 were as follows:

	Q1	Q2	Q3	Q4
2010	69%	66%	84%	74%
2011	87%	80%	-	-

EMGS's revenues more than doubled from the first quarter to the second quarter of 2011, despite a drop in utilisation from 87% to 80%. This is attributed to substantially improved productivity on the BOA Thalassa in the second quarter, fewer transit days and the fact that the company recorded close to eight revenue-generating vessel months in the second quarter as opposed to six in the first quarter.

Vessel overview

VESSEL	*STATUS Q2*	*UTILISATION Q2*	*ORDER BOOK*	*CHARTER EXPIRATION*
BOA Thalassa	In operation	97%	December 2012	December 2013
BOA Galatea	In operation	79%	October 2012	July 2014
Atlantic Guardian	In operation from 8 May	63%	Early December	25 December 2011

The BOA Thalassa spent the entire second quarter of 2011 acquiring 3D electromagnetic data (EM) for PEMEX in the Mexican sector of the Gulf of Mexico. Several measures were implemented to optimise operations, one of which was offshore transfer of personnel and goods through the use of a supply vessel and helicopter. With record-high productivity and technical downtime reduced to just 3%, the vessel generated second quarter revenues of approximately USD 24.2 million.

The BOA Galatea acquired 3D EM data offshore Mozambique until mid-May. Subsequently, the vessel spent approximately 14 days in transit to the Red Sea, where it started work on a USD 12.5 million contract for an oil company in the Kingdom of Saudi Arabia. This work program includes acquisition of both 3D EM and MT (magnetotelluric) data in the Red Sea over a three-month period.

EMGS chartered the vessel Atlantic Guardian for six months from 25 April 2011, with optional extensions of up to six months. Rigging and sea trials were completed on 8 May, after which the vessel performed 3D EM surveys in Northern Europe for the remainder of the quarter. In the third quarter, EMGS exercised a two-month optional extension, thereby extending the vessel charter on the Atlantic Guardian to 25 December 2011.

IMPORTANT EVENTS IN THE FIRST HALF YEAR

During the first quarter 2011, EMGS was awarded several major contracts. The BOA Galatea was awarded a contract worth USD 8.5 million offshore Mozambique in January and a contract worth about USD 12.5 million in the Red Sea in February.

In February, EMGS changed its functional currency from USD to NOK. This had a significant impact on the value of the conversion rights recorded in the balance sheet, and the fair value component of the NOK 150 million convertible bond was reclassified from liability to equity. The reporting currency for the EMGS Group will continue to be USD.

In March, bondholders in EMGS converted bonds amounting to a total of USD 5 million to shares at USD 0.86 per share. The nominal value of the convertible bond was consequently nil.

On 4 April, EMGS announced that it was mobilising its third crew. The company entered into an agreement with North Sea Shipping to charter the vessel Atlantic Guardian for six months from 25 April 2011, with optional extensions of up to six months. EMGS equipped the vessel with its custom-designed acquisition set in late April and the vessel was in operation from 8 May.

On 5 April, EMGS was notified by Fugro Norway AS that the latter had exercised its rights pursuant to a NOK 150,000,000 Senior Secured Convertible Loan to convert the full amount of the loan into shares in EMGS. The shares were converted at NOK 5.40 per share, resulting in 27,777,778 new shares.

On 7 April, EMGS announced that a major international oil company had joined EMGS and Shell in a joint industry project (JIP) to plan and design the next-generation 3D EM system.

On 4 May, EMGS successfully completed the issuance of a new unsecured bond with maturity in May 2014. The borrowing amounted to NOK 250 million, with a coupon of NIBOR + 7.00%. The bond was listed on the Oslo Stock Exchange from 9 June 2011. Net proceeds from the bond issue will be used to refinance existing debt and for general corporate purposes. Arctic Securities and First Securities acted as arrangers of the bond issue.

On 16 May, EMGS announced that, on the basis of the new production licences awarded to its customers in the 21st Licensing Round on the Norwegian Continental Shelf, it expected to realise uplift revenues of USD 5.4 million from the Barents Sea multi-client 3D EM campaign in 2010. The revenues were recognised in the second quarter of 2011.

On 27 June, EMGS announced that it had signed a contract with Statoil to acquire high-resolution, full-azimuth 3D electromagnetic (EM) data in the Barents Sea. The company reported that the twelve-day survey would be performed by the Atlantic Guardian.

RECENT EVENTS

On 21 July 2011, EMGS repaid the USD 20 million callable bond loan issued in July 2010. The company's cash position was reduced accordingly.

On 25 August, EMGS reported that it had been awarded a contract worth USD 90 million by Petrobras to perform a range of electromagnetic (EM) surveys in frontier and mature basins offshore Brazil. Data acquisition will be performed using the vessel BOA Galatea and is expected to take approximately one year. Petrobras has requested start-up as soon as practically possible.

RISK AND UNCERTAINTY 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 has initiated a strategy which it believes addresses this challenge. Furthermore, the Company intends to maintain a proper cost level and funding to match the future demand for its products and services.

The demand from the 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 and licenses and permitting. For a further description of other relevant risk factors, please refer to the Annual Report for 2010.

OUTLOOK

In June 2011, EMGS provided a company update to its investors and other stakeholders during its Capital Markets Day (CMD). The company announced that it expected revenues for 2011 to amount to more than USD 130 million. Based on the second quarter results and the outlook for the second half of 2011, the company now expects revenues close to USD 150 million for the year. Furthermore, EMGS maintains that it expects to deliver a positive net income for 2011 and a stronger balance sheet through the year.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2011, which has been prepared in accordance with IAS 34 –Interim Financial Reporting, gives a true and fair view of Electromagnetic Geoservices ASA's consolidated assets, liabilities, financial position and results of operations. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 24 August 2011
Board of Directors and CEO

Bjarte H. Bruheim
Chairman of the Board

Stig Eide Sivertsen

Berit Svendsen

Jeffrey Alan Harris

Grethe Høiland

Lodve Berre

Magni Hofstad

Roar Bekker
CEO

CONSOLIDATED INCOME STATEMENT

Amounts in USD 1 000	Q2 2011 Unaudited	Q2 2010 Unaudited	First half year 2011 Unaudited	First half year 2010 Unaudited	2010 Audited
Operating revenues					
Contract sales	**41 171**	8 806	62 177	19 184	64 073
Multi-client sales	**6 423**	5 915	6 951	6 225	11 335
Total operating revenues	**47 594**	**14 721**	**69 128**	**25 409**	**75 408**
Operating expenses					
Charter hire, fuel and crew expenses	**16 841**	4 968	27 299	12 787	32 856
Employee expenses	**9 441**	5 872	19 295	13 156	30 451
Depreciation and ordinary amortisation	**3 378**	4 863	6 822	10 086	18 431
Multi-client amortisation	**2 600**	2 102	2 600	2 447	4 083
Other operating expenses	**4 796**	2 688	9 323	5 888	14 456
Total operating expenses	**37 056**	**20 493**	**65 339**	**44 364**	**100 277**
Operating profit (loss)	**10 538**	**-5 772**	**3 789**	**-18 955**	**-24 869**
Share of profit of joint venture	**-**	-	-	-	-
Financial income and expenses					
Interest income	**64**	111	71	113	201
Interest expenses	**-1 555**	-1 737	-3 709	-3 169	-7 587
Change in fair value of conversion rights	**-**	263	-1 353	244	-23 754
Net foreign currency income/(loss)	**-2 184**	2 510	-4 649	3 440	-267
Net financial items	**-3 675**	**1 147**	**-9 640**	**628**	**-31 407**
Income/(loss) before income tax	**6 863**	**-4 625**	**-5 851**	**-18 327**	**-56 276**
Income tax expenses	**3 204**	79	3 858	141	-1 068
Income/(loss) for the period	**3 659**	**-4 704**	**-9 709**	**-18 468**	**-55 208**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Income/(loss) for the period	**3 659**	**-4 704**	**-9 709**	**-18 468**	**-55 208**
Exchange differences on translation of foreign operations	**1 304**	-8	1 752	18	46
Total comprehensive income/(loss) for the period	**4 963**	**-4 712**	**-7 957**	**-18 450**	**-55 162**

CONSOLIDATED BALANCE SHEET

Amounts in USD 1 000	**Half year ended 30 June 2011 Unaudited**	Half year ended 30 June 2010 Unaudited	Year ended 31 December 2010 Audited
ASSETS			
Non-current assets			
Intangible assets	**6 240**	6 144	7 827
Property, plant and equipment	**23 393**	28 904	23 104
Assets under construction	**10 536**	8 733	9 085
Investment in joint venture	**-**	3 015	3 015
Restricted cash	**7 916**	10 506	7 326
Total non-current assets	**48 085**	**57 302**	**50 357**
Current assets			
Spare parts, fuel, anchors and batteries	**10 074**	8 897	9 293
Trade receivables	**27 307**	6 633	20 640
Other receivables	**6 316**	5 119	4 458
Cash and cash equivalents	**40 141**	14 485	21 340
Restricted cash	**29 537**	9 418	10 884
Total current assets	**113 375**	**44 552**	**66 615**
Total assets	**161 460**	**101 854**	**116 972**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital, share premium and other paid-in equity	**247 163**	182 210	182 381
Other reserves	**1 580**	-200	-172
Retained earnings	**-189 696**	-143 249	-179 988
Total equity	**59 047**	**38 761**	**2 222**
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	**5 625**	4 411	5 085
Borrowings	**67 964**	31 994	22 989
Total non-current liabilities	**73 589**	**36 405**	**28 074**
Current liabilities			
Trade payables	**10 093**	13 894	12 752
Current tax liability	**3 959**	2 017	948
Provisions	**-**	1 045	774
Other short term liabilities	**13 113**	7 067	12 980
Borrowings	**1 659**	2 665	59 223
Total current liabilities	**28 824**	**26 688**	**86 677**
Total liabilities	**102 413**	**63 093**	**114 751**
Total equity and liabilities	**161 460**	**101 854**	**116 972**

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in USD 1 000	Half year ended 30 June 2011 Unaudited	Half year ended 30 June 2010 Unaudited	Year ended 31 December 2010 Audited
Net cash flow from operating activities:			
Income/(loss) before income tax	**-5 850**	-18 327	-56 276
Adjustments for:			
Witholding tax expenses	**2 732**	307	-1 160
Total taxes paid	**-3 579**	-478	1 128
Depreciation and ordinary amortisation	**6 822**	10 086	22 515
Multi-client amortisation	**2 600**	2 447	-
Profit on sale of fixed assset	**-**	-	115
Share of net (profit)/loss of joint venture	**-**	-	-257
Non-cash portion of pension expense	**540**	-1 051	-377
Cost of share-based payment	**367**	769	1 793
Change in trade receivables	**-6 667**	3 297	-10 710
Change in inventories	**-781**	-750	- 1 146
Change in trade payables	**-2 658**	-676	-1 818
Change in other working capital	**-813**	-10 053	-4 194
Change in fair value of conversion rights	**-**	-244	23 754
Currency effect on convertible loans	**6 731**	-2 851	-
Amortisation of interest	**2 838**	2 549	6 221
Net cash flow from operating activities	**2 282**	**-14 975**	-20 412
Investing activities:			
Purchase of property, plant and equipment	**-6 036**	-1 708	-3 347
Purchase of intangible assets	**-459**	-331	-834
Proceeds from sale of assets	**-**	280	286
Investment in multi-client library	**-**	-6 308	-9 979
Cash used in investing activities	**-6 495**	**-8 067**	-13 874
Financial activities:			
Financial lease payments - principal	**-778**	-2 692	-3 931
Proceeds from bond offering	**43 618**	-	20 000
Proceeds from issuance of ordinary shares	**863**	33 368	33 430
Cost of rights issue	**-**	-1 666	-2 581
Payment of interest on bonds	**-1 446**	-1 137	-2 660
Cash provided by financial activities	**42 257**	**27 873**	**44 258**
Net increase in cash	**38 044**	**4 831**	**9 972**
Cash balance beginning of period	**39 550**	29 578	29 578
Cash balance end of period	**77 594**	34 409	39 550
Increase in cash	**38 044**	**4 831**	**9 972**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in USD 1 000	Share capital, share premium and other paid-in equity	Other reserves	Retained earnings	Total equity
Balance at 31 December 2009 (Audited)	**149 739**	**-218**	**-124 780**	**24 741**
Currency translation differences	-	18	-	**18**
Loss for the period	-	-	-18 469	**-18 469**
Total comprehensive income	**-**	**18**	**-18 469**	**-18 451**
Cost of share-based payment	769	-	-	**769**
Equity component of convertible loan	-	-	-	**-**
Cost of private placement	-1 670	-	-	**-1 670**
Transfer of share premium to retained earnings	-	-	-	**-**
Proceeds from shares issued - private placement and options exercised	33 371	-	-	**33 371**
Balance at 30 June 2010 (Unaudited)	**182 210**	**-200**	**-143 249**	**38 761**
Currency translation differences	-	28	-	**28**
Loss for the period	-	-	-36 739	**-36 739**
Total comprehensive income	**-**	**28**	**-36 739**	**-36 711**
Cost of share-based payment	1 024	-	-	**1 024**
Cost of private placement	-1 045	-	-	**-1 045**
Proceeds from shares issued - private placement and options exercised	191	-	-	**191**
Balance at 31 December 2010 (Audited)	**182 382**	**-172**	**-179 988**	**2 222**
Currency translation differences	-	448	-	**448**
Loss for the period	-	-	-13 368	**-13 368**
Total comprehensive income	**-**	**448**	**-13 368**	**-12 920**
Cost of share-based payment	230	-	-	**230**
Equity component of convertible loan	32 568	-	-	**32 568**
Conversion of convertible loan	6 613	-	-	**6 613**
Proceeds from shares issued - private placement and options exercised	159	-	-	**159**
Balance at 31 March 2011 (Unaudited)	**221 951**	**276**	**-193 356**	**28 871**
Currency translation differences	-	1 304	-	**1 304**
Loss for the period	-	-	3 659	**3 659**
Total comprehensive income	**-**	**1 304**	**3 659**	**4 963**
Cost of share-based payment	137	-	-	**137**
Conversion of convertible loan	24 371	-	-	**24 371**
Proceeds from shares issued - private placement and options exercised	704	-	-	**704**
Balance at 30 June 2011 (Unaudited)	**247 163**	**1 580**	**-189 698**	**59 047**

Accounting principles

The Group has applied the same accounting standards and policies as in the Group's financial statements at 31 December 2010, and has implemented standards, interpretations and amendments which were effective from 1 January 2011.

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	**Q2 2011 Unaudited**	Q2 2010 Unaudited	Year to date 2011 Unaudited	Year to date 2010 Unaudited	2010 Audited
Americas	**24.2**	-	36.6	5.0	25.6
Asia/Pacific	**5.1**	1.3	10.2	1.3	19.4
EAME	**18.3**	13.3	22.3	19.0	30.4
Total	**47.6**	**14.7**	**69.1**	**25.4**	**75.4**

Borrowings

In 2009, Fugro Norway AS provided EMGS ASA a NOK 150 million secured convertible loan at the current conversion price of NOK 5.40. As the functional currency for EMGS was USD prior to 1 January 2011 and the conversion price was in NOK, the loan was subject to a "fair value adjustment" according to IFRS accounting rules. The functional currency for EMGS changed from USD to NOK on 1 January 2011 and the fair value component of the convertible loan was reclassified from liabilities to equity. Fugro Norway AS converted the loan to shares in April 2011.

In May 2011 EMGS ASA completed issuance of an unsecured bond with maturity in May 2014. The borrowing amount was NOK 250 million and the bond has a coupon of NIBOR + 7%.

Multi-client amortisation

The amortisation expense on multi-client library only includes amortisation of costs directly linked to production, such as acquisition costs, processing costs, and direct project cost. Amortisation recorded in the first half of 2011 is based on late sales revenues in the same period.

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 2010. The group's financial statements are available upon request from the company's registered office in Trondheim or at 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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NOTES

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EMGS, the marine EM market leader, uses its proprietary electromagnetic (EM) technology to support oil and gas companies in their search for offshore hydrocarbons. EMGS supports each stage in the workflow, from survey design and data acquisition to processing and interpretation. The company's services enable integration of EM data with seismic and other geophysical and geological information to give explorationists a clearer and more complete understanding of the subsurface. This improves exploration efficiency, and reduces risks and the finding costs per barrel.

EMGS has conducted more than 500 surveys to improve drilling success rates across the world's mature and frontier offshore basins. The company operates on a worldwide basis with main offices in Trondheim and Stavanger, Norway; Houston, USA; and Kuala Lumpur, Malaysia.

Please visit *EMGS.COM* for the latest news and in-depth information about EMGS and EM technology.

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