



# EMGS ASA THIRD QUARTER PRESENTATION 2009

CEO, Roar Bekker  
CFO, Svein Knudsen  
Hotel Continental, 19 November 2009



## OVERVIEW

### Q3 09 financial results

- Revenues: USD 15.3 million
- EBITDA loss: USD 5.9 million before non-cash provision of USD 5.6 million

Streamlining of operations and cost reductions ahead of plan

BOA Galatea launched – restructuring of fleet completed

Established alliances to strengthen sales

Increased tendering activity

Frigg reservoir characterisation survey awarded by TOTAL

The alliance with Fugro progressing as planned



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## *FLEET RESTRUCTURING*

Core vessel fleet consists of the two 3D EM vessels

- Improved survey efficiency at lower cost
- Technical downtime reduced
- Designed for efficient 3D acquisition

Mobile acquisition set provides operational flexibility

- Will be stored at Fugro facilities in Singapore
- Mobilization: one week

Shallow water acquisition capabilities implemented



## MAJOR 3D EM PROGRAMS PERFORMED IN Q3

### Canada

- Reducing risk in a challenging exploration environment
- Customer feedback:

*"The high safety standards of the crew and EMGS management were instrumental in completing the survey on time and within budget, and with good data quality."*

3D EM survey for Cairn Energy in Greenland

Detailed reservoir characterization 3D study over Frigg for TOTAL



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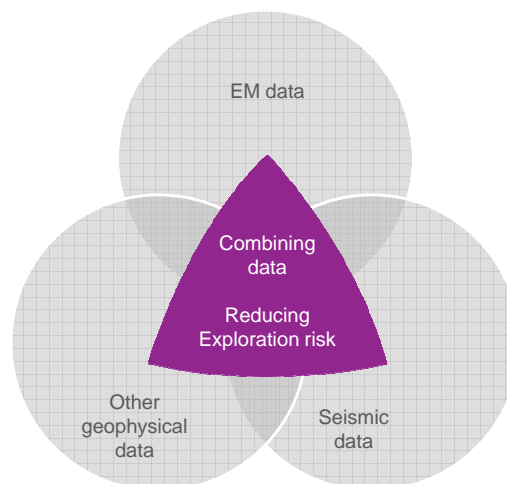
## STRATEGIC ALLIANCE WITH FUGRO

The common goal: To establish marine EM as a standard tool for the oil and gas industry.

### Key milestones in Q3

- Fugro has established EM hubs in Perth, Oslo and Houston
- Training of 70 Fugro staff
- Developing joint sales & marketing network

Joint projects identified in the Gulf of Mexico and the Barents Sea



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## MULTI-CLIENT PARTNERSHIP WITH TGS

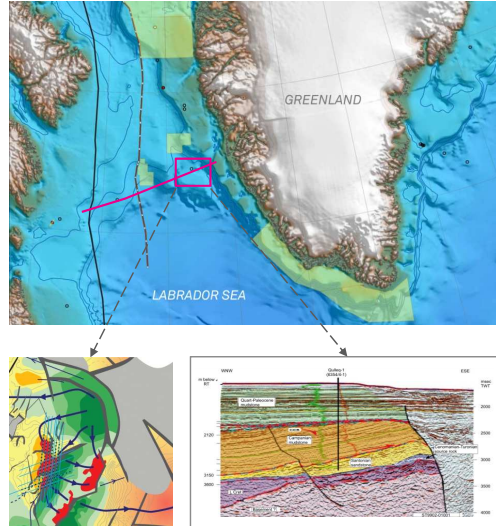
Multi-client 3D EM survey in the Fylla East area offshore Greenland

- Well data and seismic data in combination with EM data

Several large prospective basins

- Licensing round in 2010
- High levels of seismic activity

Evaluating multi-client projects worldwide



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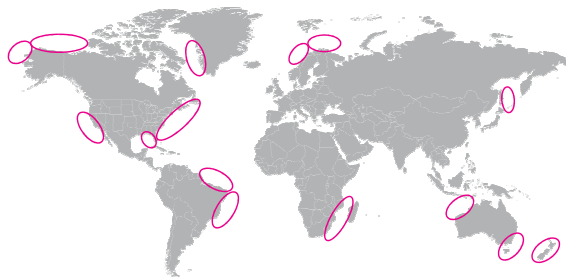
## MARINE EM – ENVIRONMENTALLY BENIGN EXPLORATION

Conclusion from independent studies: EM surveys do not harm sea life

Dissolvable anchors made from an eco-friendly compound

In environmentally sensitive areas EM can:

- Reduce the number of wells
- Target exploration efforts
- Open previously closed areas for renewed exploration



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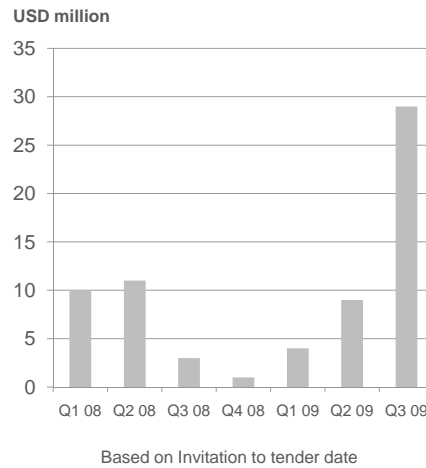
## INCREASED TENDERING ACTIVITY

A sign that the marine EM market is entering a new phase

Majority of these projects related to pre-drill prospect testing

More competitive pricing on tender projects

Most of EMGS's contracts still won through direct award



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## FINANCIALS



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## FINANCIAL HIGHLIGHTS

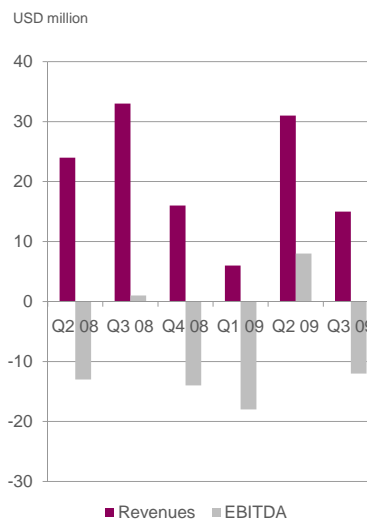
### Q3 09 financial results

- Revenues: USD 15.3 million
- EBITDA loss: USD 5.9 million before non-cash provision of USD 5.6 million

Vessel utilisation at 40% in Q3

Cash level unchanged from previous quarter

Cost reductions ahead of plan

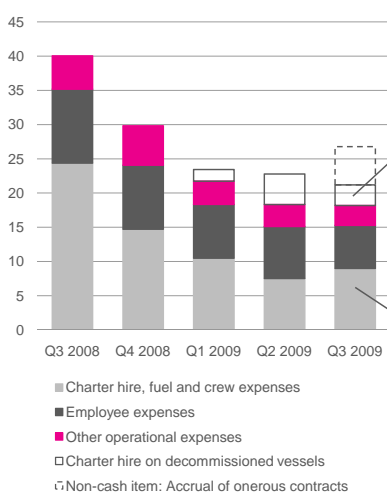


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## OPERATIONAL COSTS

USD million



### Decommissioned vessels:

	Charter expiration
Siem Sasha	March 2010
Atlantic Guardian	January 2011
Siem Mollie (from mid-September)	August 2010

### Vessels in operation:

	Charter expiration
BOA Thalassa	December 2013
Siem Mollie (until mid-September)	August 2010
BOA Galatea (from mid-July)	July 2014



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## CONSOLIDATED INCOME STATEMENT

USD million	Q3 2009 Unaudited	Q3 2008 Unaudited	First 9 months 2009 Unaudited	First 9 months 2008 Unaudited
Revenues	15,3	33,4	52,0	100,5
Charter hire, fuel and crew expenses	17,6	17,0	41,8	55,8
Employee expenses	6,3	10,8	21,7	31,1
Other operating expenses	2,9	4,9	9,5	19,4
EBITDA *)	(11,5)	0,7	(21,1)	(5,7)
Depreciation and ordinary amortisation	6,0	5,8	17,7	16,4
Multi-client amortisation	-	6,4	-	15,8
EBIT	(17,5)	(11,4)	(38,8)	(37,9)
Net financial items	(0,1)	5,2	(2,1)	0,9
Share of profit of joint venture	(0,3)	(0,3)	(8,6)	(0,7)
Profit (loss) before tax	(17,8)	(6,6)	(49,5)	(37,7)
Income tax expense	0,9	1,4	1,0	3,5
Net profit (loss)	(18,7)	(7,9)	(50,5)	(41,2)
EBITDA	(11,5)	0,7	(21,1)	(5,7)
Multiclient investment	-	7,2	-	16,6
Adjusted EBITDA	(11,5)	(6,5)	(21,1)	(22,4)

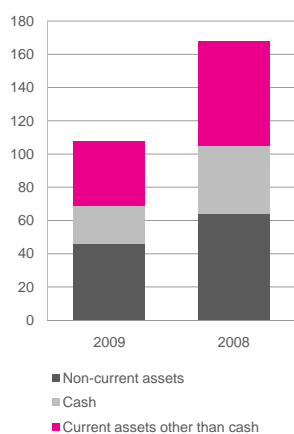


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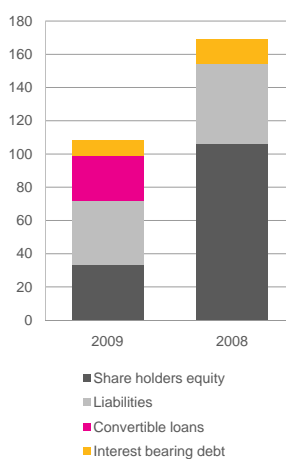


## CAPITAL STRUCTURE

Assets as of 30.09.  
(in USD million)



Equity and liabilities as of 30.09.  
(in USD million)



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## SUMMARY AND OUTLOOK



### SUMMARY

Revenues continue to fluctuate quarter by quarter

More efficient operations and substantially reduced cost base

Core vessel fleet: Two high-capacity, purpose-built 3D EM vessels

Mobile acquisition set provides scalability and flexibility

Market penetration supported through partnership with seismic service providers and alliance partners



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## OUTLOOK

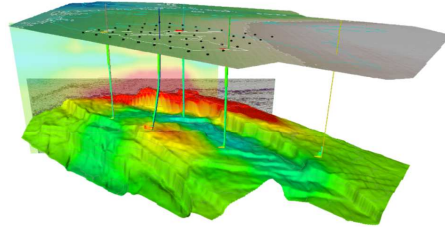
Increased tendering activity supports a growing opportunity pipeline

Agreement with Rocksource could expand further opportunities in the Gulf of Mexico

Substantial campaigns for targeted NOCs/Majors identified for 2010

Several new multi-client projects identified

Expect alliance with Fugro will result in several commercial projects in 2010



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## Q & A



Clearplay





## CONDENSED BALANCE SHEET

USD million	9 months ended 30 Sept 2009	9 months ended 30 Sept 2008	Year ended 31 December 2008
<b>ASSETS</b>			
Intangible assets	3.2	4.9	3.8
Property, plant and equipment	37.7	46.4	42.7
Investment in joint venture	4.9	13.1	12.8
<b>Total non-current assets</b>	<b>45.9</b>	<b>63.4</b>	<b>59.2</b>
Trade Receivables	12.4	36.4	13.9
Other current assets	26.2	27.0	25.1
Cash and cash equivalents	23.4	40.9	28.1
<b>Total current assets</b>	<b>62.0</b>	<b>104.3</b>	<b>67.1</b>
<b>TOTAL ASSETS</b>	<b>107.9</b>	<b>167.7</b>	<b>126.4</b>
<b>EQUITY</b>			
<b>Total equity</b>	<b>33.0</b>	<b>105.7</b>	<b>82.4</b>
<b>LIABILITIES</b>			
<b>Total non-current liabilities</b>	<b>36.8</b>	<b>8.3</b>	<b>7.2</b>
Trade payables	15.3	26.9	19.5
Current tax liability	2.7	5.1	2.8
Other short term liabilities	15.9	11.9	9.4
Borrowings	4.1	10.9	5.1
<b>Total current liabilities</b>	<b>38.1</b>	<b>54.8</b>	<b>36.8</b>
<b>TOTAL LIABILITIES</b>	<b>74.9</b>	<b>63.0</b>	<b>44.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>107.9</b>	<b>168.7</b>	<b>126.4</b>

## CONDENSED STATEMENT OF CASH FLOW

USD million	Nine months ended 30 September	
	2009	2008
Net cash flow from operating activities	(20.6)	(12.1)
Net cash flow from investing activities	(7.4)	(22.0)
Net cash flow from financial activities	23.2	34.3
Net profit (loss) before income taxes	(49.5)	(37.7)



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## OWNERSHIP (AS OF 16 NOVEMBER 2009)

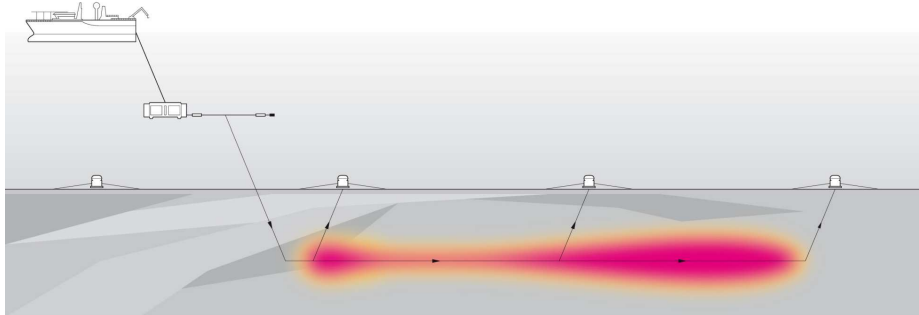
	Shareholder	Shares	Holding
1	WARBURG PINCUS	61 873 434	67.57%
2	BRUHEIM, BJARTE	2 350 088	2,57 %
3	JPMORGAN CHASE BANK	2 130 000	2,33 %
4	UBS AG, LONDON BRANCH	1 044 900	1,14 %
5	EM-SBL HOLDING AS	900 000	0,98 %
6	VERDIPAPIRFONDET HANDELSBANKEN	700 000	0,76 %
7	STRACK, KURT MARTIN	563 011	0,61 %
8	CARNEGIE INVESTMENT BANK AB	469 334	0,51 %
9	GOLDMAN SACHS & CO - EQUITY	460 000	0,50 %
10	DNB NOR NAVIGATOR, VPF	449 050	0,49 %
11	KROSSHØ AS	432 881	0,47 %
12	JOHANSEN, STÅLE EMIL	332 214	0,36 %
13	UBS AG NEW YORK BRANCH P	320 000	0,35 %
14	SIX SIS AG 25PCT	310 847	0,34 %
15	TANNREG INVEST AS	300 000	0,33 %



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## THE VALUE OF EM



A clearer, more complete understanding of the subsurface

Reduces risk and finding costs per barrel

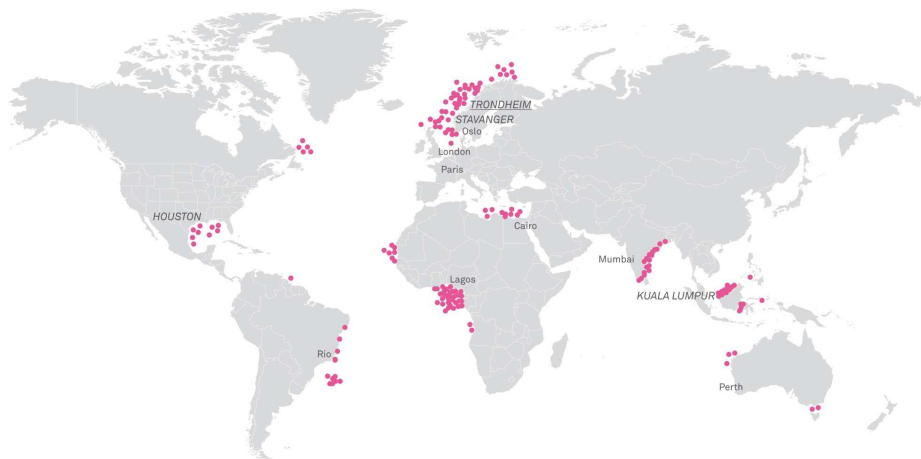
Represents an additional measurement to the existing portfolio of sub-surface measurements



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## EMGS EXPERIENCE AND PRESENCE

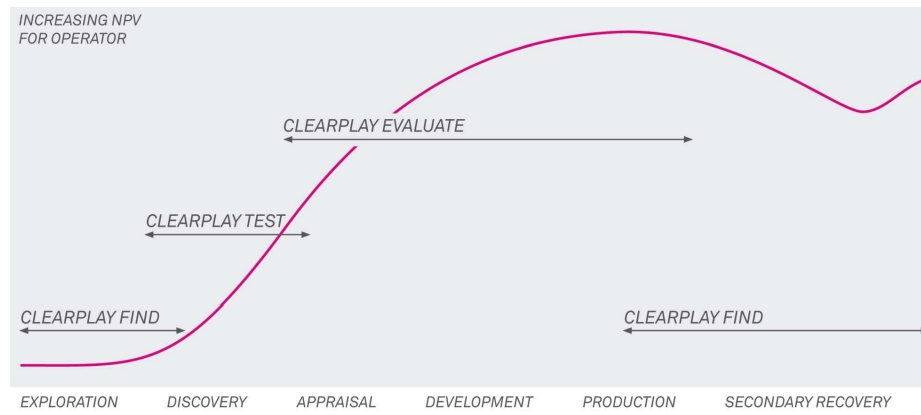


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## EMGS'S SERVICES

Three Clearplay service offerings have been designed to support operators during the exploration phase



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