



EMGS ASA – THIRD QUARTER PRESENTATION 2012

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Hotel Continental, 15 November 2012



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HIGHLIGHTS

Financial results

- Revenues of USD 43.2 million
- EBITDA of USD 7.3 million (17%)

Investing to expand the EM market

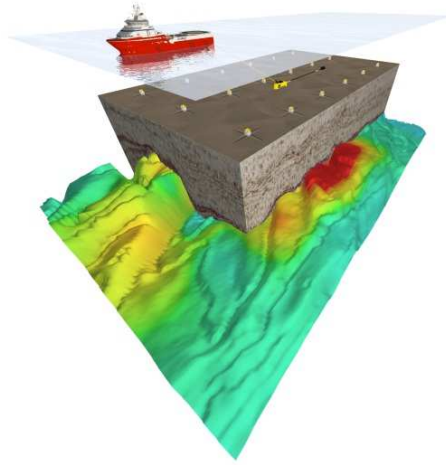
- Salt and basalt proof of concept surveys
- New acquisition technology

Industry interest for EM growing steadily

- High industry interest at SEG 2012
- PEMEX publicly endorses EM

Positive outlook

- Near-term: limited visibility, but healthy utilisation expected
- Solid medium to long-term contract opportunities



FINANCIAL OVERVIEW



FINANCIAL HIGHLIGHTS

Key figures Q3

- Revenues of USD 43.2 million
- EBITDA of USD 7.3 million
- Multi-client investments of USD 3.2 million
- Adjusted EBITDA of USD 4.1 million
- Net loss of USD 5.8 million

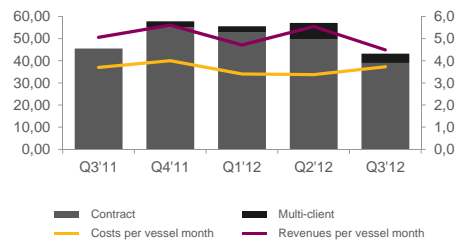
Revenues impacted by:

- Proof of concept surveys
- Cancellation of contract in Asia
- Timing of multi-client sales

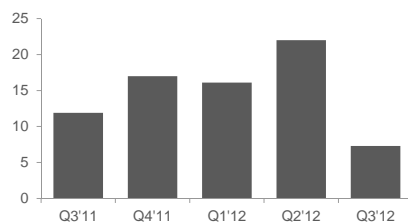
(USD million)

YTD	2012	2011
Revenues	155.8	114.6
EBITDA	45.8	25.1
Net profit	19.1	2.9

Revenues and revenues/costs per vessel month (USD Million)

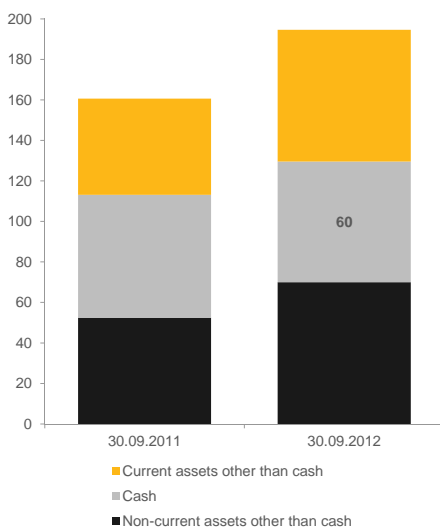


EBITDA (USD Million)

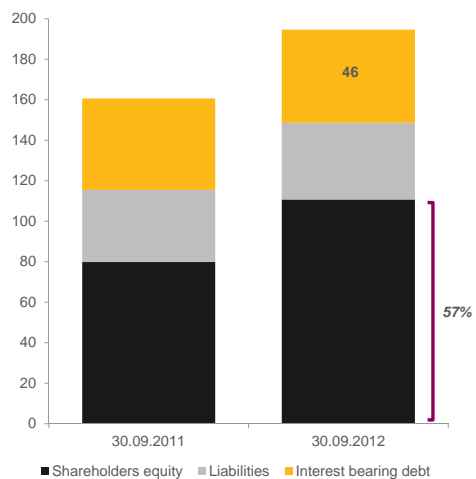


MAINTAINING STRONG BALANCE SHEET

Assets (USD million)



Equity and liabilities (USD million)



BARENTS SEA DATA LIBRARY

Extensive 3D EM coverage

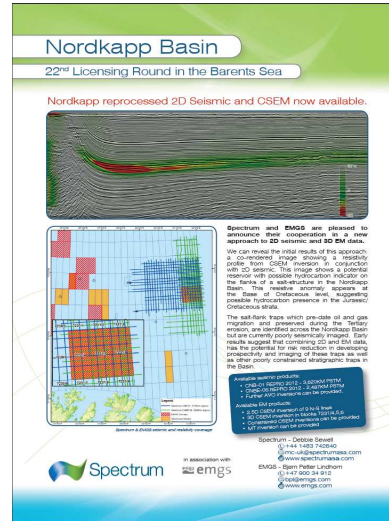
- Approximately 24,000 km²
- 79 blocks

Key financial figures (as of 30 Sept)

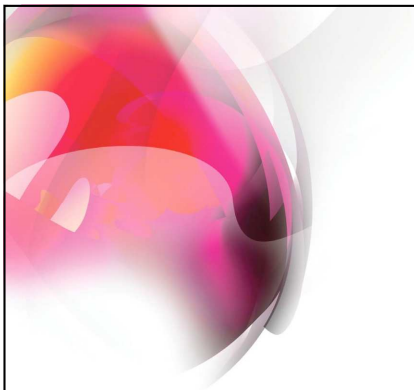
- Return on investment: 2.05
- MC sales Q3: USD 4.2 million
- Book value: USD 8.4 million

Revenues beyond Q3

- Late-sales so far in Q4: USD 4.8 million
- Additional late-sales and uplift
- Bundling products with seismic players



Joint marketing project with Spectrum

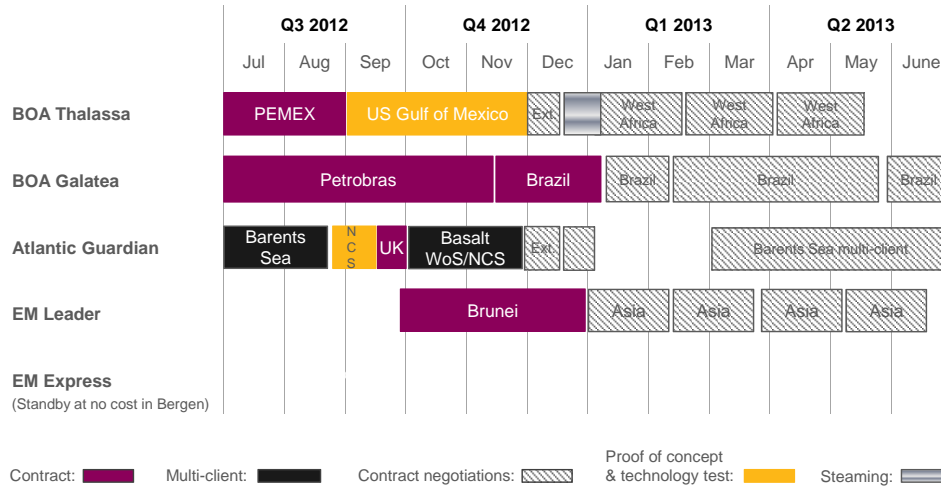


OPERATIONAL OVERVIEW



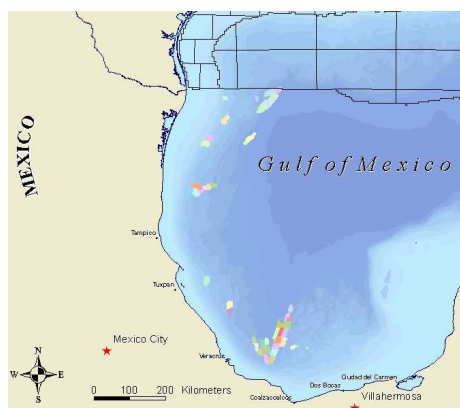
VESSEL ACTIVITY AND BACKLOG

Vessel schedule as of 15 November 2012



EXPLORATION PORTFOLIO MANAGEMENT USING CSEM FOR PEMEX IN DEEPWATER MEXICO*

- Approx 12,000 km² of 3D CSEM data
- 35 deep-water prospects
- Objectives:
 - Portfolio optimisation
 - Prospect ranking
 - Enhancement of the geological understanding of the area



* Presentation at 2012 SEG titled *Experience from using 3D CSEM in the Mexican deepwater exploration program*



ECONOMIC EVALUATION WITH CSEM

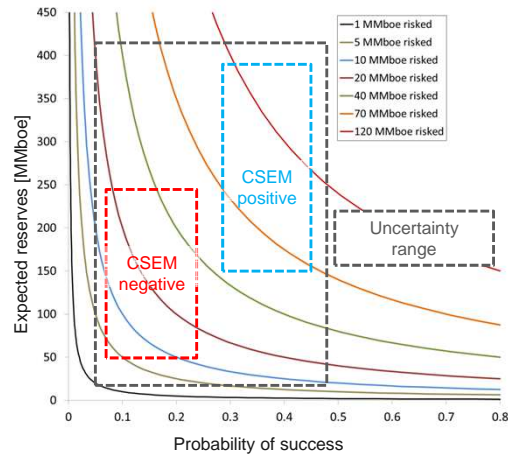
- Addition of CSEM data reduces uncertainty

Positive CSEM is likely to:

- Increase average reserves
- Increase probability of success

CSEM negative is likely to:

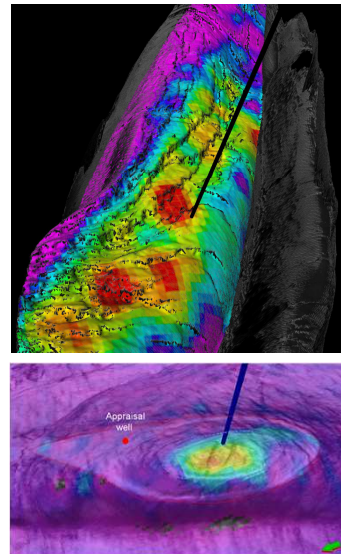
- Decrease average reserves
- Reduce probability of success



INITIAL CONCLUSIONS FROM PEMEX EM CAMPAIGN

- Integration of 3D CSEM, seismic, well log, and analogue studies has proven to allow for a significant reduction in the uncertainty of the geologic model.
- A better geological model results in better probability of success and volume assessments.
- Improved economic evaluation leads to a more accurate portfolio value estimation and better decision making.
- It is expected that 3D CSEM will help to significantly reduce the offshore finding cost for Pemex in the future.

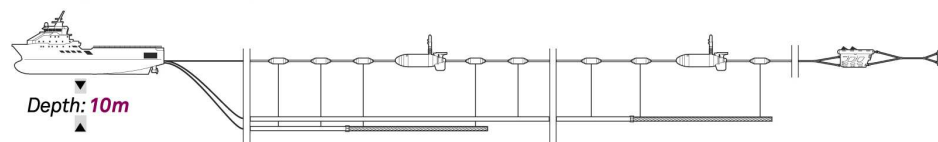
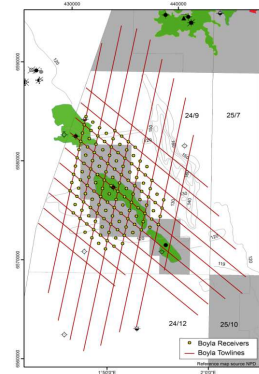
EM prediction success rate = 4 out of 4 wells



Shelf **Xpress** –

DEEPER EM IMAGING ON THE CONTINENTAL SHELF

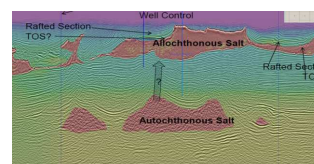
- Expanding the EM operating envelope on the continental shelf
- Technology demonstration on Bøyla – North Sea
- Increased CSEM data sensitivity
- Six times source output
- Broadband source signal – higher resolution
- Increase depth of penetration up to 1km



EXPANDING THE ADDRESSABLE MARKET THROUGH PROOF OF CONCEPT SURVEYS

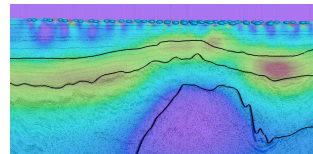
Sub-salt structural Imaging - GOM

- Joint project with Schlumberger
- Integration of CSEM/MT with wide azimuth seismic to improve velocity models in seismic depth imaging



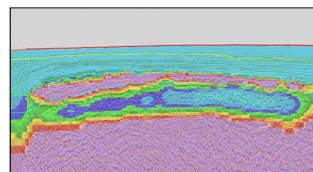
Regional BasinSPAN project with ION

- Combining 2D seismic with 2D CSEM and MT
- Aid interpretation of seismic data: identify basement, salt, carbonates and volcanic layers for unexplored, frontier basins

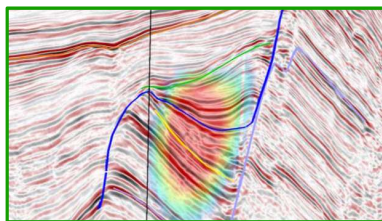
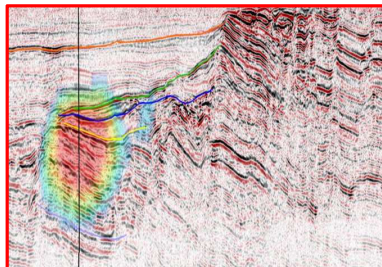


Sub basalt Imaging MC project

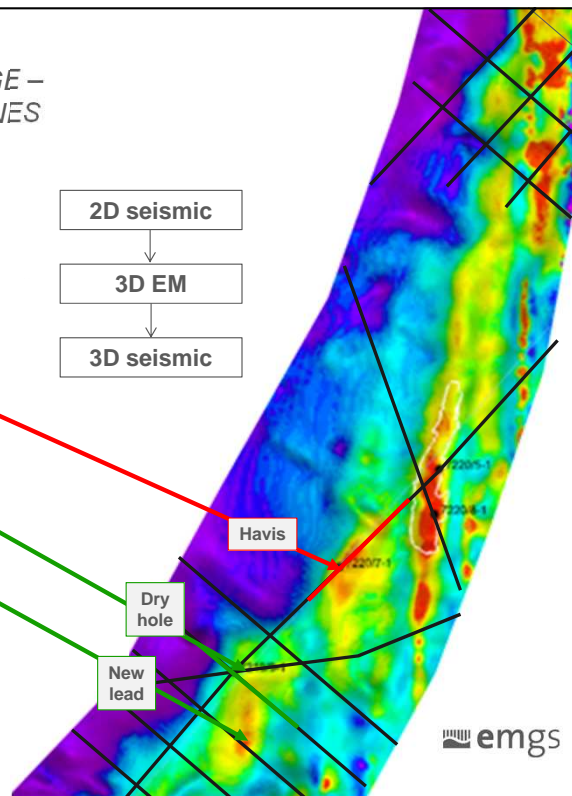
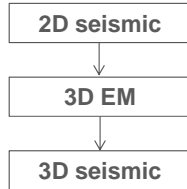
- West of Shetland and Vøring Basin
- Map base and thickness of basalt intrusions through integration of CSEM/MT with seismic



REGIONAL 3D EM COVERAGE – READING BETWEEN THE LINES



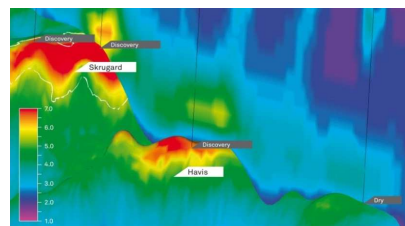
Seismic data courtesy of Multiclient Geophysical



DRILLING PREDICTIONS FROM MULTI-CLIENT 3D EM

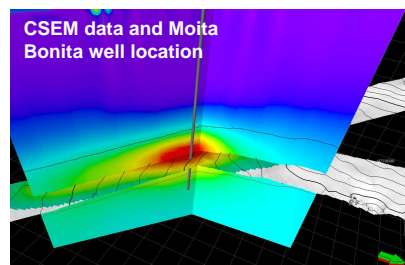
Norway

- Barents Sea has established 3D EM as a key technology in frontier exploration
- Successful mapping of Snøhvit, Goliat, Skrugard, Nordvarg, Havis etc.
- Plans for first off year acquisition in 2013



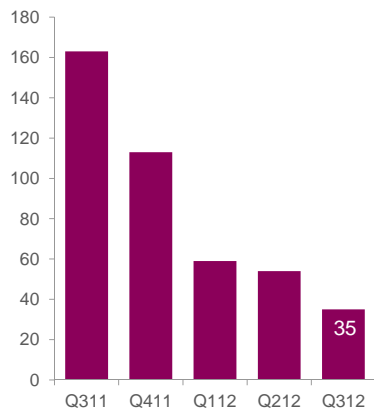
Brazil

- Experience in Africa verifies EM performance in Equatorial Margin
- Successful mapping of three recent discoveries
- New programs planned for Foz do Amazonas and Barreirinhas



MARKET UPDATE

Order book as of 30 Sept 2012 (USD Million)



Industry interest steadily increasing

- Strong interest at SEG
- Gaining access at higher level in oil companies
- Client base expanding
- Driven by significantly increased access to data examples and case studies
- Collaboration with seismic companies

Focus on improving long-term visibility

- Short contracts near-term
- Expect improved backlog visibility into Q1 2013



SUMMARY AND OUTLOOK



SUMMARY AND OUTLOOK

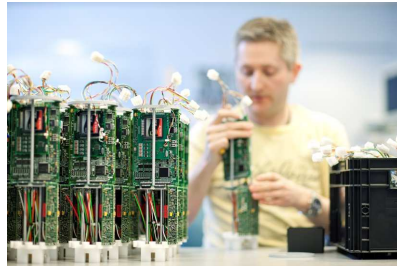
Q3

- In isolation a disappointing quarter
- Investing to expand the EM market through commercialisation of new technology and proof of concept projects
- Sustaining strong balance sheet



Outlook

- Maintaining 2012 guidance
- Near-term: Short contracts and limited visibility into Q1 2013
- On-going discussions with key clients for long-term/portfolio contracts from 2H 2013
- Annual revenue growth with strong margins in 2013



APPENDIX



CONSOLIDATED INCOME STATEMENT

USD million	QUARTER ENDING		NINE MONTHS ENDING	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Contract sales	39.0	45.5	141.5	107.6
Multi-client sales	4.2	-	14.3	7.0
Total revenues	43.2	45.5	155.8	114.6
Charter hire, fuel and crew expenses	17.9	18.6	56.1	45.9
Employee expenses	12.9	11.0	38.9	30.3
Other operating expenses	5.1	4.0	15.0	13.3
EBITDA	7.3	11.9	45.8	25.1
Depreciation and ordinary amortisation	3.6	3.1	9.8	9.9
Multi-client amortisation	2.7	-	8.4	2.6
EBIT	1.1	8.8	27.6	12.6
Net financial items	(4.0)	(0.1)	(8.4)	(9.7)
Profit /(loss) before tax	(2.9)	8.7	19.1	2.9
Income tax expense	2.8	1.2	6.5	5.0
Net profit /(loss)	(5.8)	7.5	12.6	(2.2)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million	PERIOD ENDING	
	30.09.2012	30.09.2011
ASSETS		
Goodwill	14.4	13.5
Intangible assets	14.8	8.7
Property, plant and equipment	27.8	19.3
Assets under construction	13.1	11.0
Restricted cash	-	0.6
Total non-current assets	70.0	53.0
Trade receivables	38.9	28.2
Other current assets	26.2	19.3
Cash and cash equivalents	51.4	43.0
Restricted cash	8.1	17.2
Total current assets	124.6	107.6
TOTAL ASSETS	194.6	160.6
EQUITY AND LIABILITIES		
Total equity	110.7	79.8
Total non-current liabilities	51.6	49.1
Trade payables	15.4	11.5
Current tax liability	3.5	4.8
Other short term liabilities	12.1	14.1
Borrowings	1.3	1.3
Total current liabilities	32.3	31.7
TOTAL EQUITY AND LIABILITIES	194.6	160.6



CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	NINE MONTHS ENDING	
	30.09.2012	30.09.2011
Net cash flow from operating activities	23.9	0.5
Net cash flow from investing activities	(27.6)	1.0
Net cash flow from financial activities	(2.7)	19.7
Net increase in cash	(6.4)	21.2



LARGEST SHAREHOLDERS (AS OF 12 NOVEMBER)

	SHAREHOLDER	SHARES	HOLDING
1	SKAGEN GLOBAL	9 998 712	5.02 %
2	ODIN NORGE	7 829 524	3.94 %
3	THE NORTHERN TRUST CO.	7 724 670	3.88 %
4	ODIN OFFSHORE	6 698 823	3.37 %
5	SKAGEN VEKST	5 029 207	2.53 %
6	SKANDINAVISKA ENSKILDA BANKEN	4 238 310	2.13 %
7	SKAGEN GLOBAL II	3 623 755	1.82 %
8	VERDIPAPIRFONDET DNB SMB	3 276 493	1.67 %
9	JPMORGAN CHASE BANK	3 577 411	1.65 %
10	STATE STREET BANK AND TRUST CO.	3 086 310	1.55 %
11	SPEIALF KLP ALFA GLOBAL ENERGI	2 645 422	1.33 %
12	SKANDINAVISKE ENSKILDA BANKEN	2 577 298	1.30 %
13	STATOIL PENSJON	2 307 327	1.16 %
14	VPF NORDEA KAPITAL	2 241 821	1.13 %
15	SPORTSMAGASINET AS	2 206 588	1.11 %

