



ELECTROMAGNETIC GEOSERVICES ASA THIRD QUARTER 2013 RESULTS

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Hotel Continental, 14 November 2013*

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HIGHLIGHTS THIRD QUARTER 2013

Operational highlights

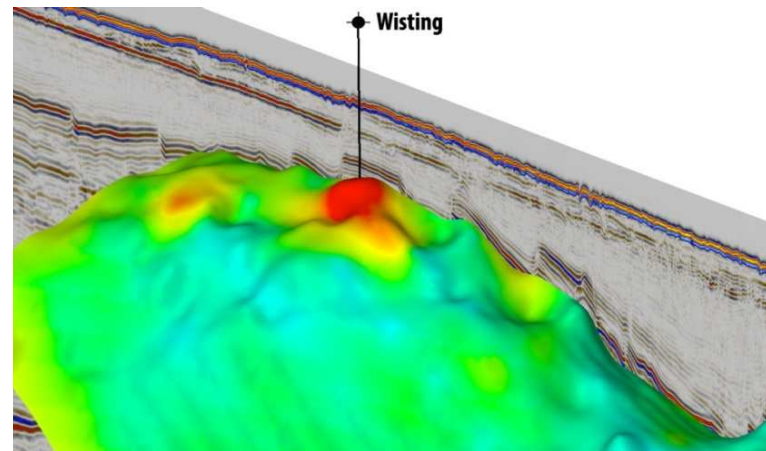
- Successful completion of contract in Brunei
- Start-up PEMEX contract and subsequently adding a second vessel
- First results from sub-salt imaging project in US Gulf of Mexico
- New contract with Maersk Oil Angola and Nippon in Malaysia, LOI for north west Australia

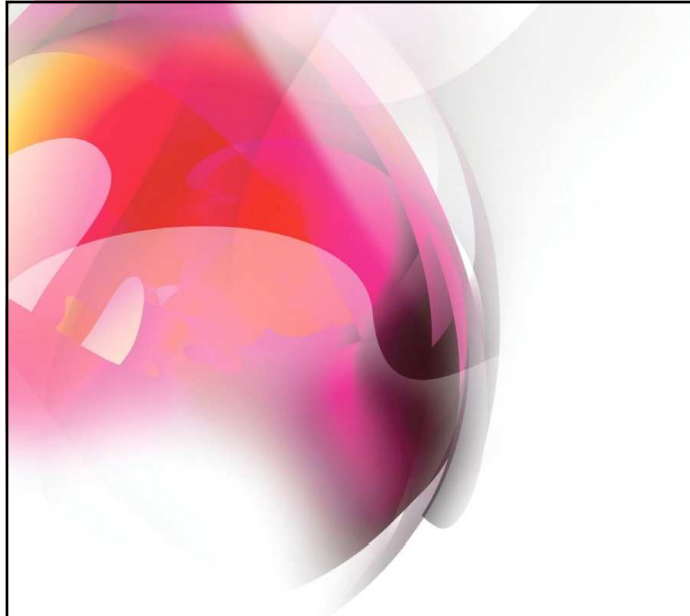
Financial highlights

- Revenues of USD 23.6 million
- EBITDA of USD -3.5 million

Outlook and guidance

- Good contract coverage for Q413 and Q114
- Full year 2013 revenues dependent on multi-client sales Q4
- Long-term outlook intact





FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

Key figures Q3

- Revenues of USD 23.6 million
- EBITDA of USD -3.5 million
- Net loss of USD -12.2 million

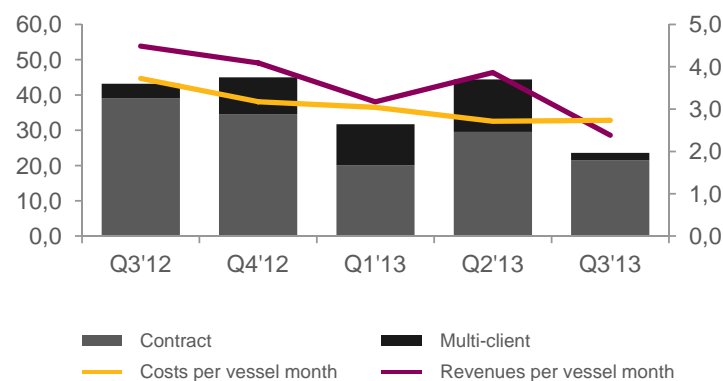
Multi-client Q3

- Sales of USD 2.1 million
- Amortisation of USD 1.4 million
- Investments of USD 10.2 million
- Net book value of USD 31.0 million

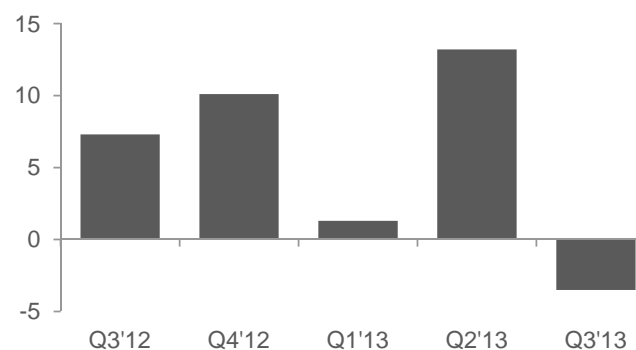
Key figures YTD

- Revenues of USD 99.7 million
 - Multi-client: USD 28.5 million
- EBITDA of USD 11.0 million
- Net loss of USD 16.4 million

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

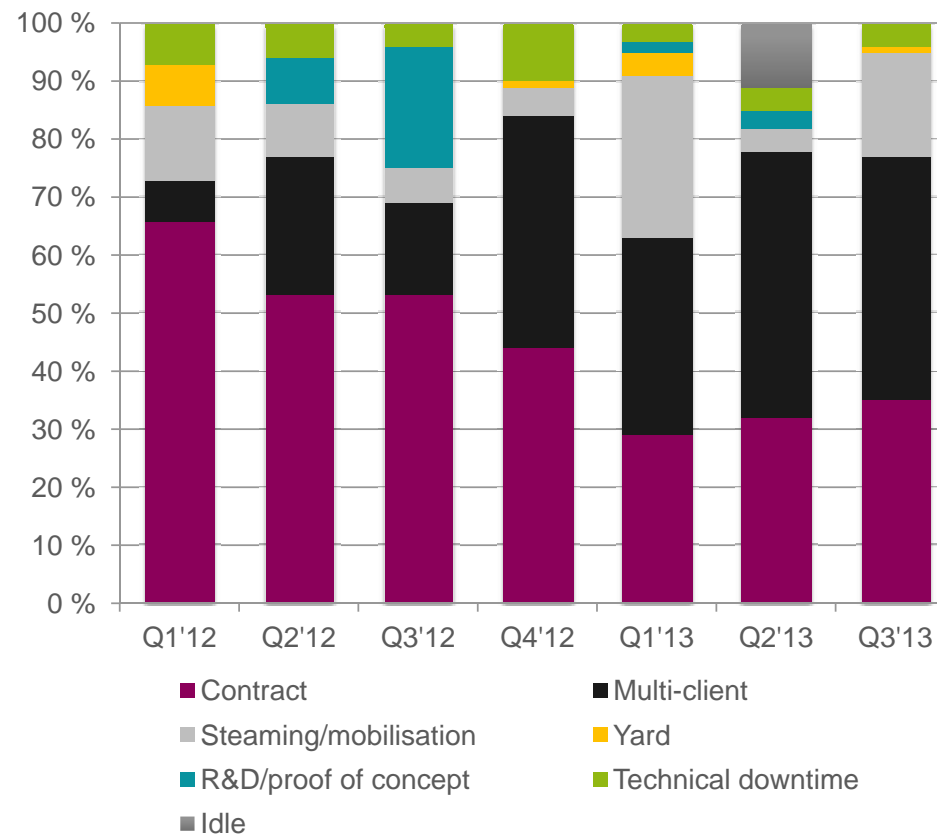


EBITDA (USD Million)



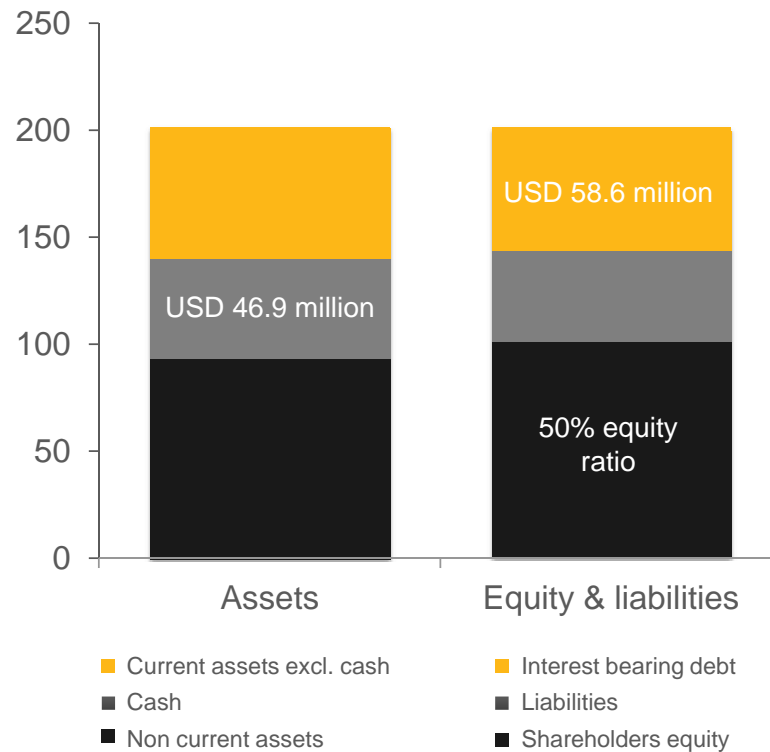
VESSEL UTILISATION

- Fleet utilisation at 77%
 - Multi-client: 42%
 - Contract: 35%
- Good performance by BOA Thalassa (91%) in Brunei
- BOA Galatea affected by mobilisation and preparation for the PEMEX contract (71%)
- Strong performance by Atlantic Guardian (95%) expanding the multi-client library in the Barents Sea
- EM Leader was chartered from 3 September and mobilised towards Angola for the rest of the quarter



CAPITAL STRUCTURE

Balance sheet as at 30.09.13 (USD million)



Cash and working capital

- Cash at USD 46.9 million
- Trade receivables reduced by USD 21.2 million to USD 27.4 million
- Other receivables reduced by USD 9.9 million
- Trade payables at USD 15.6 million

Bond loan

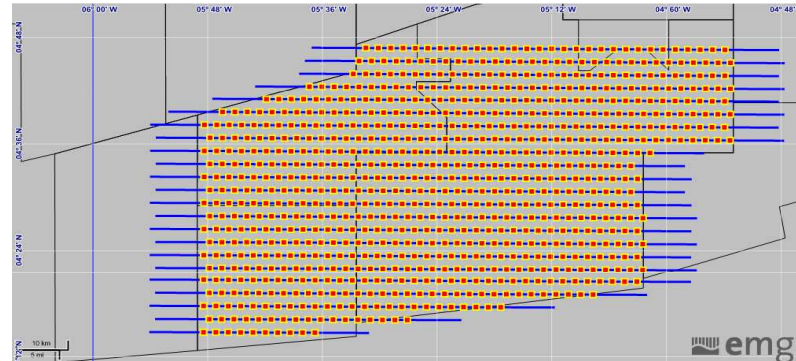
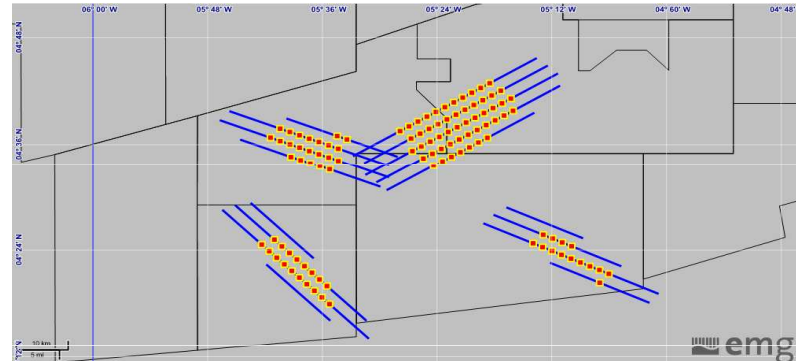
- Transaction completed for NOK 350 unsecured bond loan
- Coupon of 3 months NIBOR + 6%
- Maturity June 2016



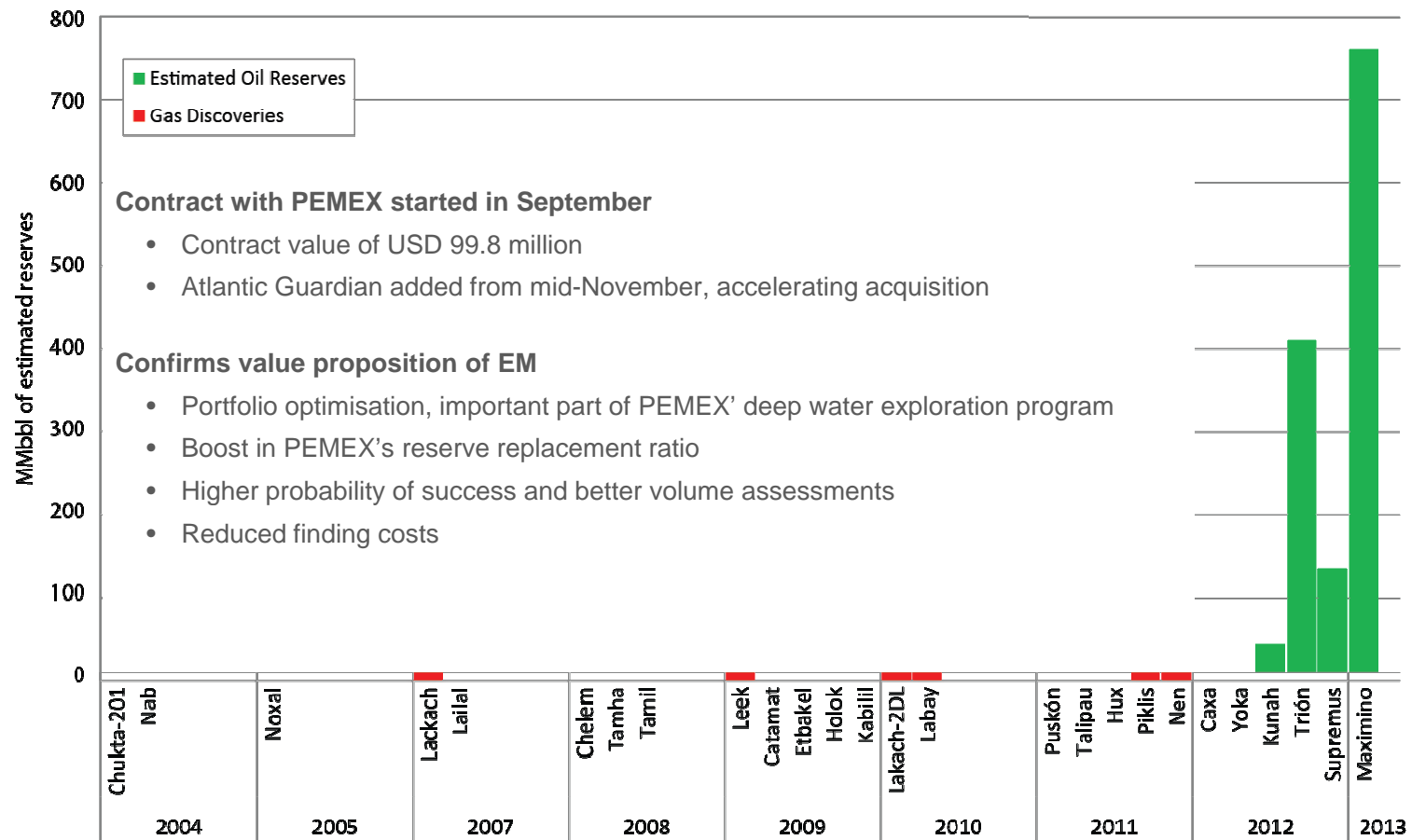
OPERATIONAL OVERVIEW

SUCCESSFULL COMPLETION OF CONTRACT IN BRUNEI

- Total value of USD 50 million
 - In addition to ~ USD 20 million for a project in Malaysia in 2012
- First major regional exploration 3D EM survey
 - Regional prospect de-risking
 - Improved regional understanding
 - Use EM to identify new leads and stratigraphic plays
- Successful use of Shelf Xpress
 - Shallow water application
 - Most complex survey completed
 - Increasing the addressable market



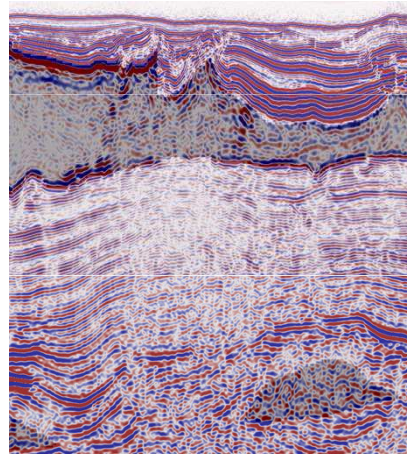
PEMEX - LARGE-SCALE ADOPTER OF EM



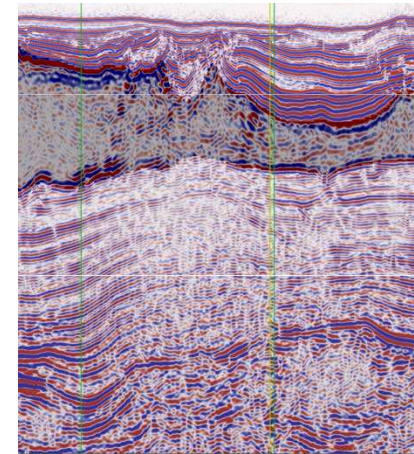
SUNSHINE - ENHANCED SUB-SALT SEISMIC IMAGES WITH EM

- EMGS & Schlumberger collaboration in the Gulf of Mexico
- Enhanced seismic imaging
- Simultaneous joint inversion of seismic and CSEM/MT data
- Improved salt geometry
- Strategically important project
 - Testing technology for new EM applications
 - Increasing addressable market

WAS Seismic only



WAS Seismic & CSEM/MT



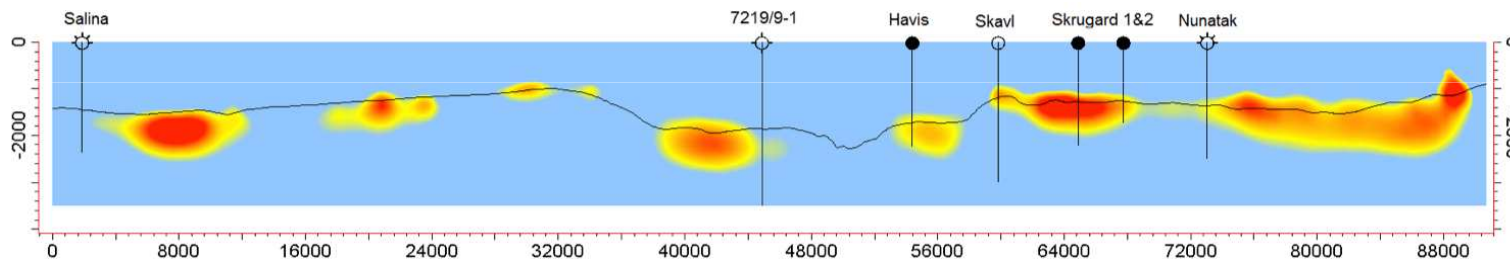
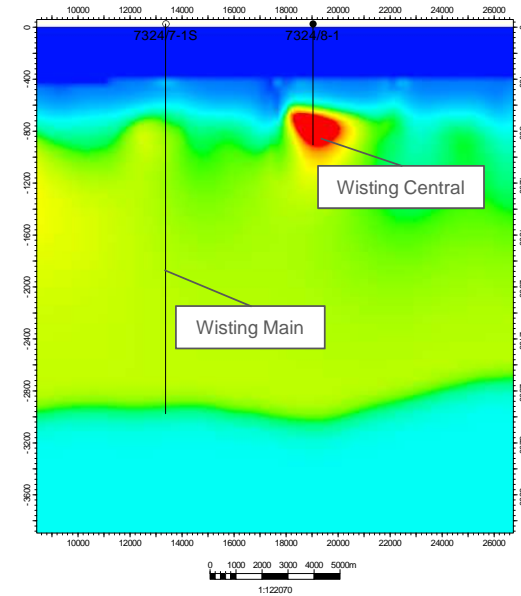
Inline and cross line reverse time migrations using a velocity model generated with and without the use of 3D EM (CSEM/MT) data.

BARENTS SEA – EM TECHNOLOGY IMPROVES EXPLORATION SUCCESS

- 110 blocks covered
- More than 30.000 km²
- Strong technology track record
 - EM results match drilling results in 19 of 19 wells
 - Recent Wisting discovery confirms value of seismic and EM integration

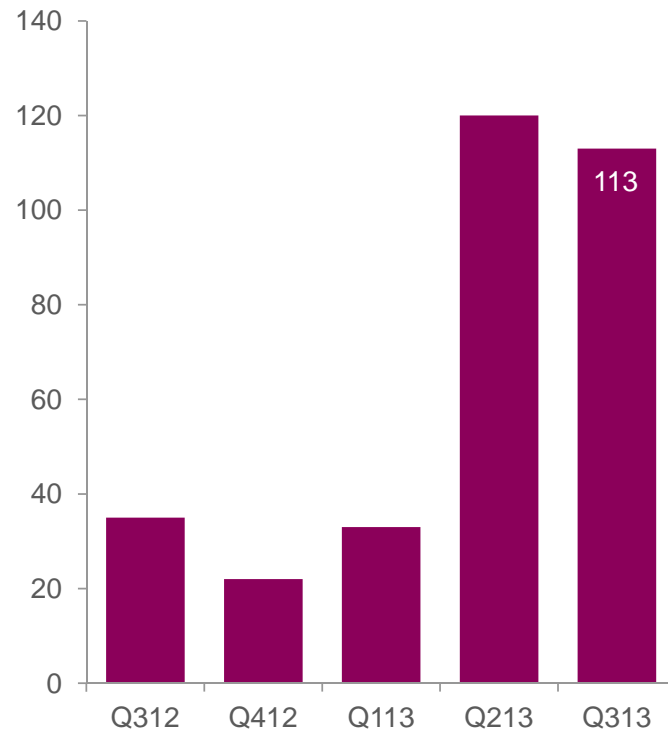
"It really lit up across the structure, and it was then that we began to think that this could be an interesting prospect. But without the CSEM data, the prospect would probably have been rejected."

Tor Veggeland at Tullow Oil plc



MARKET UPDATE

Order book (USD Million)



Good contract coverage for next quarters

- Minimum USD 8 million with Maersk Oil Angola
- One month acquisition for Nippon in Malaysia
- LOI for one month follow-on work in NW Australia*
- Atlantic Guardian mobilised as second vessel for PEMEX

Continued focus on large NOC contracts

- A shortlist of six promising projects
- Targeting to close 1-2 major contracts in 2014

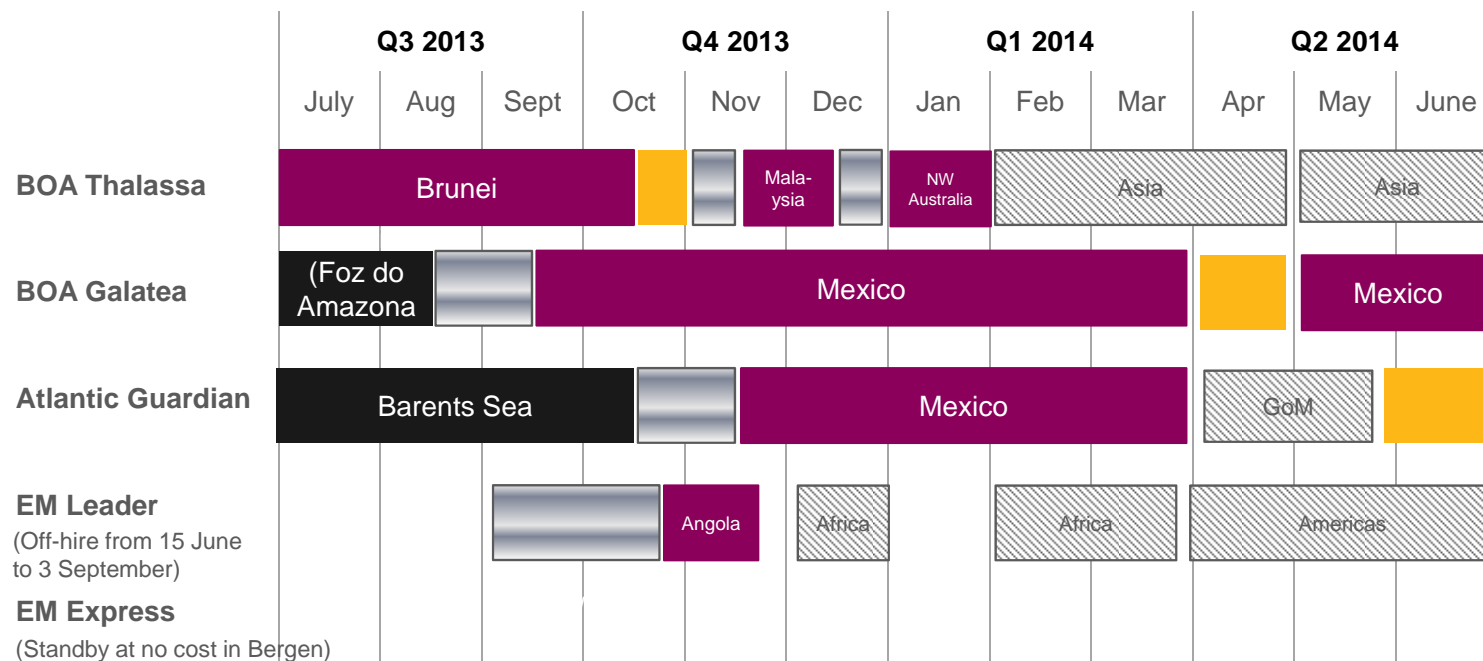
Multi-client sales

- Expect sales from libraries in Barents Sea, Brazil and US Gulf of Mexico
- Timing of sales is challenging to predict
- New and interesting opportunities being evaluated

*Not included in the backlog, LOI received after the balance date

VESSEL SCHEDULE

Expected vessel schedule as of 14 November 2013



Contract: ■ Multi-client: ■ Contract negotiations: ■ Yard stay: ■ Mobilisation: ■ Equipment testing: ■

SUMMARY AND OUTLOOK

Third quarter

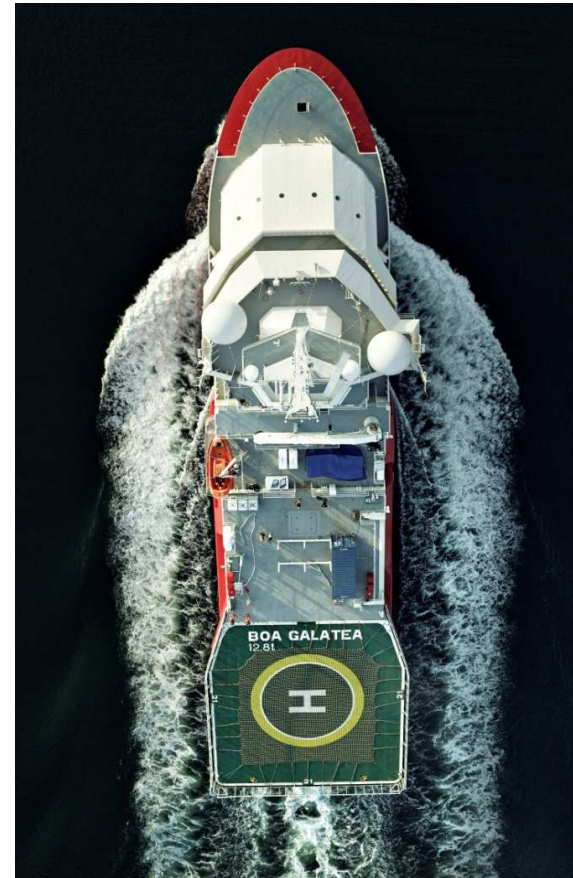
- Successfull completion of Brunei contract
- Start-up PEMEX contract
- Promising initial results from sub-salt project
- Financials affected by two vessels mobilising and investments in multi-client

Short-term outlook

- Good contract coverage for Q413 and Q114
- Expect USD 50 million in contract revenues for Q413, in addition to multi-client sales

Long-term outlook

- Pursuing large contract opportunities
- Expanding product portfolio
- Well positioned library of multi-client data
- Long-term outlook intact



Welcome back – Q4 2013 results
presentation 6 February 2014

Save the date – capital markets day
20 March 2014



Q&A



APPENDIX

VESSEL CHARTERS AND YARD STAYS

	BOA Thalassa 	BOA Galatea 	Atlantic Guardian 	EM Leader 	EM Express 
Firm Charter	Dec. 2014	July 2015	1 March 2016	3 December 2013	Standby in Bergen at no cost to EMGS.
Options	2 x 1 year	2 x 1 year	3 x 12 months	Optional 1-, 3-, 6- or 12-month charters until 9 Mar 2015	Optional 3-, 6- or 12-month charters until 9 May 2014. Vessel owner has the option to terminate the agreement.
Yard stays	~ 14-16 days in Q4 2013: 5 year class renewal.	~ 2 days in Q3 2013: Annual class renewal. ~ 14 days in Q2/Q3 2014: 5 year class renewal	5 weeks in Q1 or Q2 2014		Not applicable

CONSOLIDATED INCOME STATEMENT

USD million

	QUARTER ENDING		NINE MONTHS ENDING	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Contract sales	21.5	39.0	71.2	141.5
Multi-client sales	2.1	4.2	28.5	14.3
Total revenues	23.6	43.2	99.7	155.8
Charter hire, fuel and crew expenses	8.9	17.9	30.9	56.1
Employee expenses	13.1	12.9	41.4	38.9
Other operating expenses	5.1	5.1	16.4	15.0
EBITDA	(3.5)	7.3	11.0	45.8
Depreciation and ordinary amortisation	4.5	3.6	13.2	9.8
Multi-client amortisation	1.4	2.7	11.2	8.4
EBIT	(9.4)	1.1	(13.4)	27.6
Net financial items	(2.5)	(4.0)	1.2	(8.4)
Profit /(loss) before tax	(11.8)	(2.9)	(14.6)	19.1
Income tax expense	0.4	2.8	1.8	6.5
Net profit /(loss)	(12.2)	5.8	(16.4)	12.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million

	PERIOD ENDING	
	30.09.2013	30.09.2012
ASSETS		
Goodwill	14.4	14.4
Multi-client library	31.0	10.0
Intangible assets	3.8	4.7
Property, plant and equipment	25.9	27.8
Assets under construction	18.3	13.1
Total non-current assets	93.5	70.0
Trade receivables	27.4	38.9
Other current assets	34.0	26.2
Cash and cash equivalents	45.9	51.4
Restricted cash	1.0	8.1
Total current assets	108.3	124.6
TOTAL ASSETS	201.8	194.6
EQUITY AND LIABILITIES		
Total equity	101.3	110.7
Total non-current liabilities	65.8	51.6
Trade payables	15.6	15.4
Current tax liability	2.0	3.5
Other short term liabilities	16.5	12.1
Borrowings	0.6	1.3
Total current liabilities	34.7	32.3
TOTAL EQUITY AND LIABILITIES	201.8	194.6

CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	NINE MONTHS ENDING	
	30.09.2013	30.09.2012
Net cash flow from operating activities	39.1	23.9
Net cash flow from investing activities	(43.3)	(27.6)
Net cash flow from financial activities	10.9	(2.7)
Net increase in cash	6.6	(6.4)

LARGEST SHAREHOLDERS (AS OF 13 NOVEMBER)

	SHAREHOLDER	SHARES	HOLDING
1	SKAGEN GLOBAL	10 124 112	5.08 %
2	CLEARSTREAM BANKING S.A	8 671 710	4.35 %
3	ODIN OFFSHORE	8 291 085	4.16 %
4	ODIN NORGE	7 838 224	3.93 %
5	FIDELITY FUNDS	7 194 845	3.61 %
6	VERDIPAPIRFONDET DNB SMB	6 425 299	3.22 %
7	MOMENTUM INVESTMENTS	5 050 000	2.53 %
8	SKAGEN VEKST	5 029 207	2.52 %
9	JPMORGAN CHASE BANK OMNIBUS	4 649 395	2.33 %
10	VERDIPAPIRFONDET DNB NORGE	4 552 160	2.28 %
11	JP MORGAN CLEARING CORP.	3 873 166	1.94 %
12	UBS AG A/C OMNIBUS-DISCLOSE	3 356 458	1.68 %
13	SUNDT AS	3 300 000	1.66 %
14	SKAGEN GLOBAL II	3 282 333	1.65 %
15	MORGAN STANLEY & CO	2 690 000	1.35 %