



# THIRD QUARTER 2014 RESULTS.

Oslo, 6 November 2014,  
CEO Roar Bekker and CFO Svein Knudsen

Spot the difference.

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# Highlights third quarter 2014

## Operational highlights

- Contracts with Petrobras, Statoil, OMV (Norge) and Norske Shell
- Completed multi-client survey in US GoM and commenced new survey in Canada
- Recently announced contract with IOC in Malaysia and LOI from PTTEP in Thailand

## Financial highlights

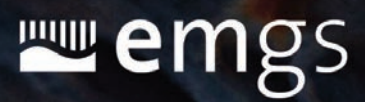
- Revenues of USD 42 million
- EBITDA of USD 11 million

## Outlook and guidance

- 2014 revenue guiding still achievable
- Long-term outlook for EM adoption intact







# Financial overview

Spot the difference.

# Financial highlights

## Key figures Q3

- Revenues of USD 41.7 million
- EBITDA of USD 11.0 million
- Net income of USD 7.0 million

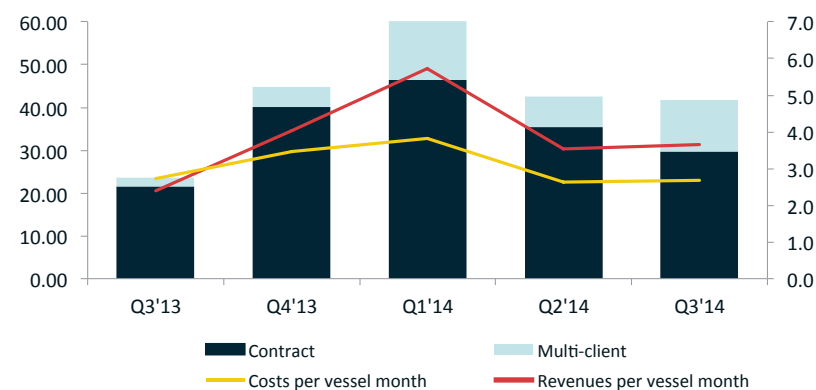
## Multi-client Q3

- Sales of USD 11.9 million
- Amortisation of USD 1.8 million
- Investments of USD 11.6 million
- Net book value of USD 35.9 million

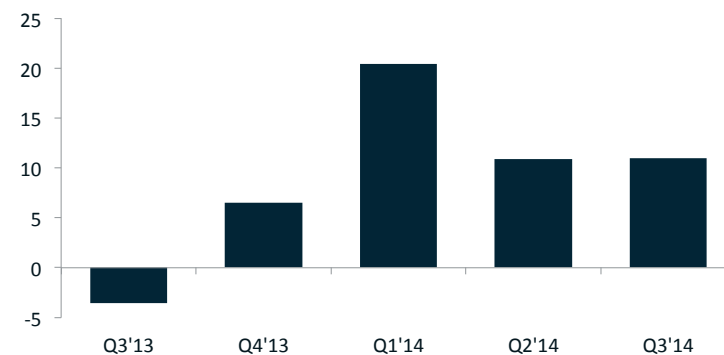
## Key figures YTD

- Revenues of USD 145.5 million
- EBITDA of USD 42.4 million
- Net income of USD 12.8 million

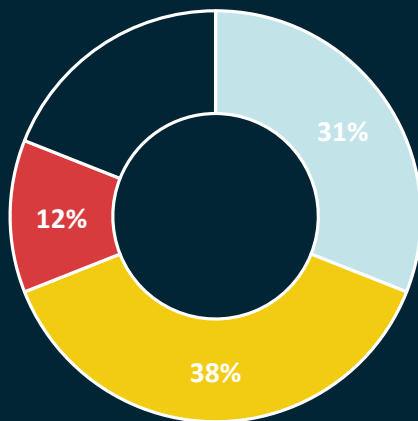
*Revenues and revenues/costs per vessel month (USD Million)*



*EBITDA (USD Million)*



# Vessel utilisation



**69%**

## Fleet utilisation

Contract: 31%  
Multi-client: 38%  
Steaming: 12%



**65%**  
BOA Thalassa



**63%**  
BOA Galatea



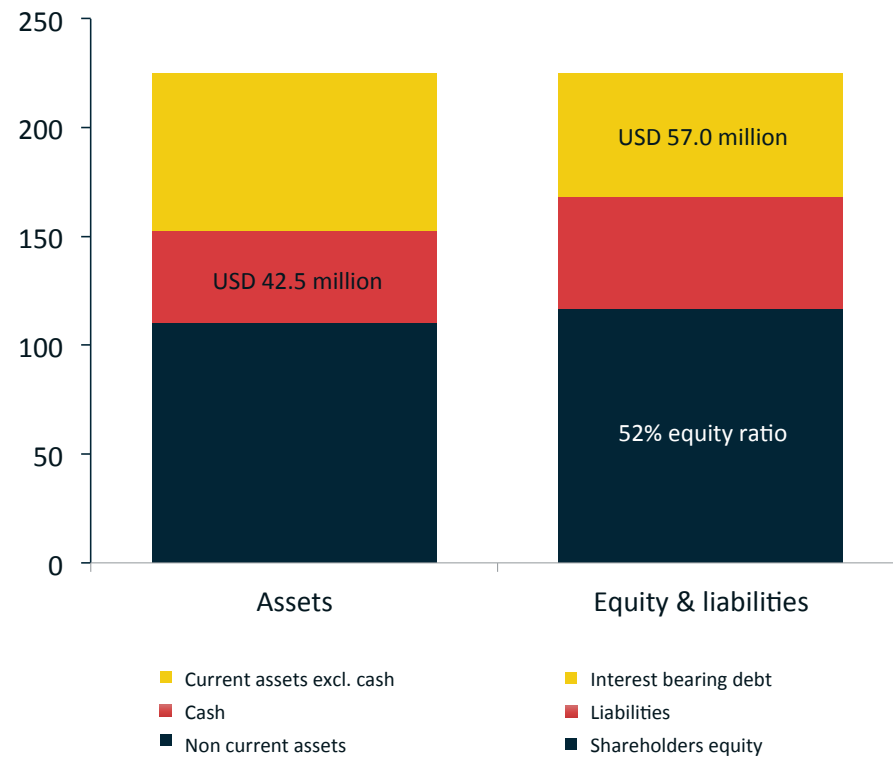
**91%**  
Atlantic Guardian



**55%**  
EM Leader

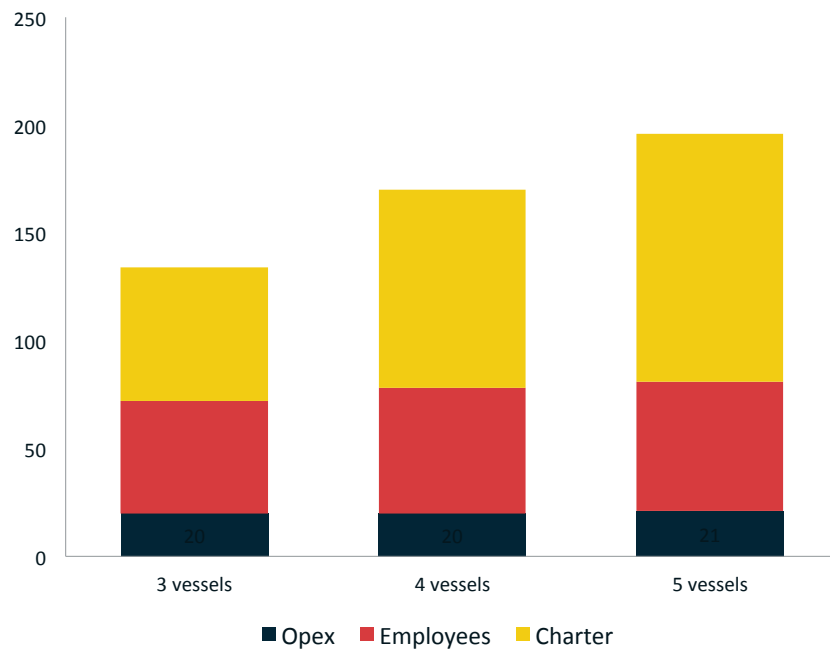
# Capital Structure

Balance sheet as at 30.09.14 (USD million)



- Cash at USD 42.5 million, up from USD 40.4 million end of previous quarter
- Trade receivables increased by USD 6.7 million to USD 41.4 million
- Trade payables decreased by USD 6.5 million to USD 14.6 million
- Convertible bond loan to North Energy settled

## Cost flexibility



- Charter hire, crew and fuel largest cost component
- Immediate cost saving effect of reducing to 3 vessels
- Non-growth scenario; capex reduced
- Clear strategy to keep a flexible cost structure, reflected by the current charter agreements
- Ramp-up to 5 vessels mainly adds extra charter hire, fuel and crew cost



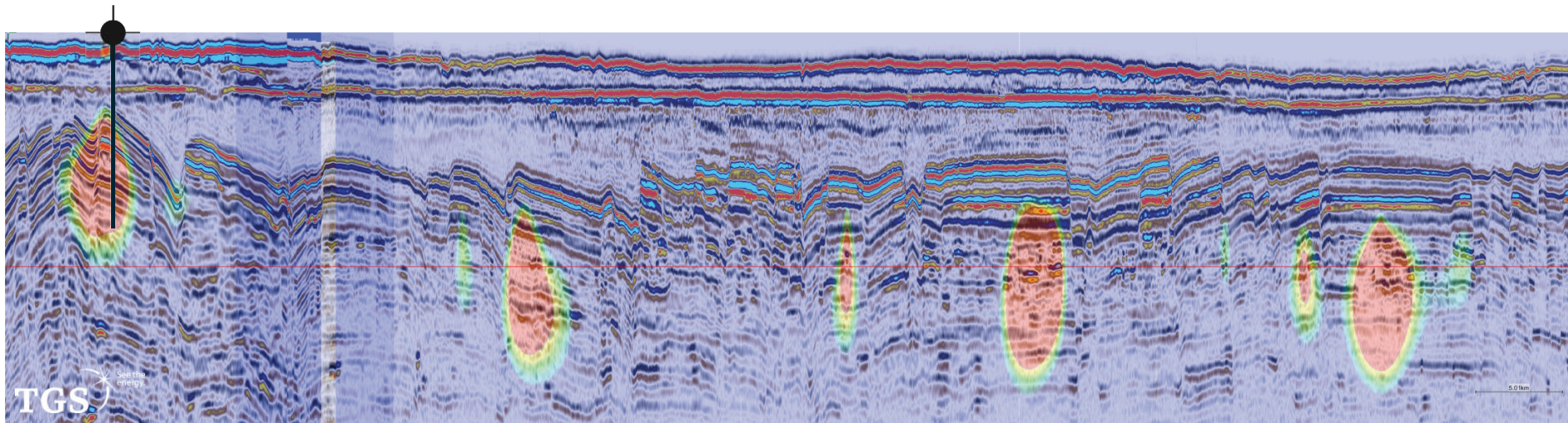


# Operational overview

Spot the difference.

# High activity on the Norwegian shelf in 2014

- Most active year in the Norwegian waters
- Several new customers and new projects awarded from existing customers
- Experience a «break-through» - resulting from the unmatched prediction success in the Barents Sea
- Q3 revenues of USD 35 million and YTD 2014 revenues of USD 63 million from NCS



Arbitrary seismic profile from Wisting and the surrounding area



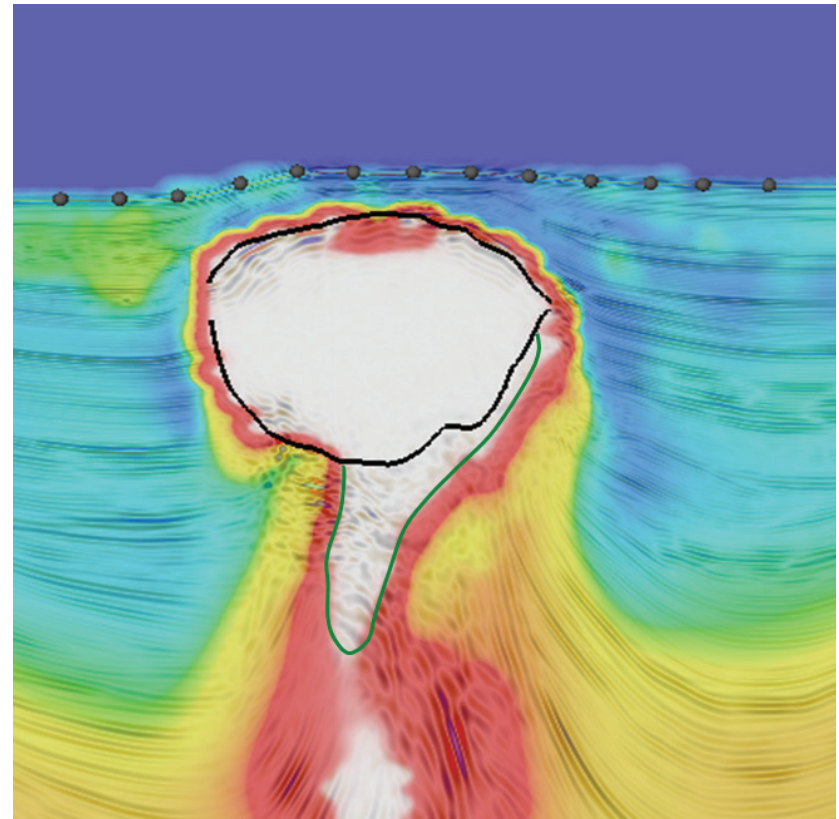
# Multi-client project in the US Gulf of Mexico

## Daybreak project

- Project completed 20 August
- EMGS' first major MC project in the US
- Covering approximately 156 blocks and 3,600 km<sup>2</sup>
  - Different survey layout; denser and deeper than Barents
  - Tailored survey to geology and customer preferences
  - Top salt imaging
- Access to 2D seismic from TGS
- Annual license rounds in both US and Mexico

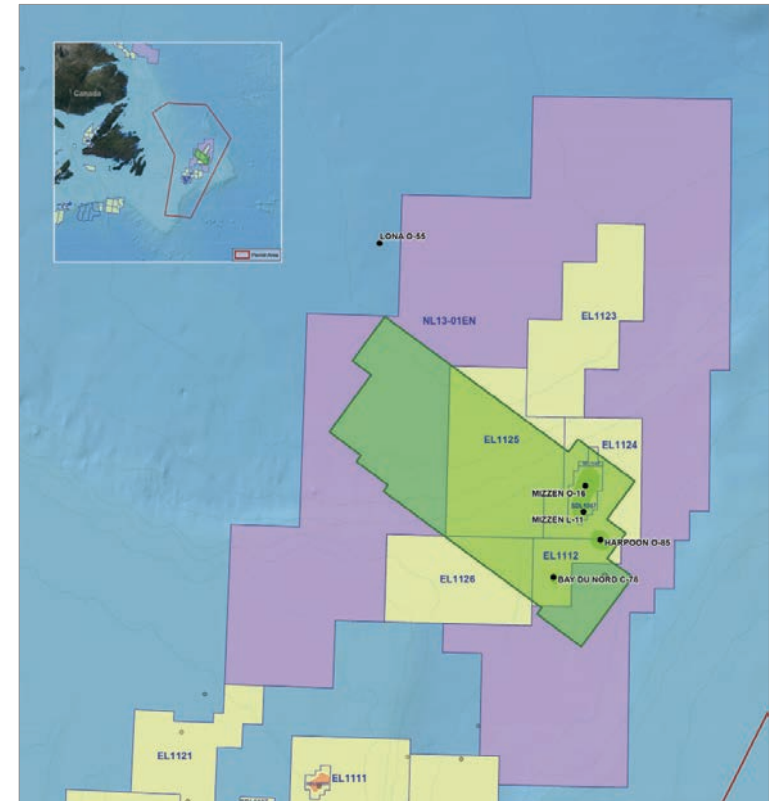
## US Gulf of Mexico important basin

- Exposure to a wide range of companies
- Large future potential



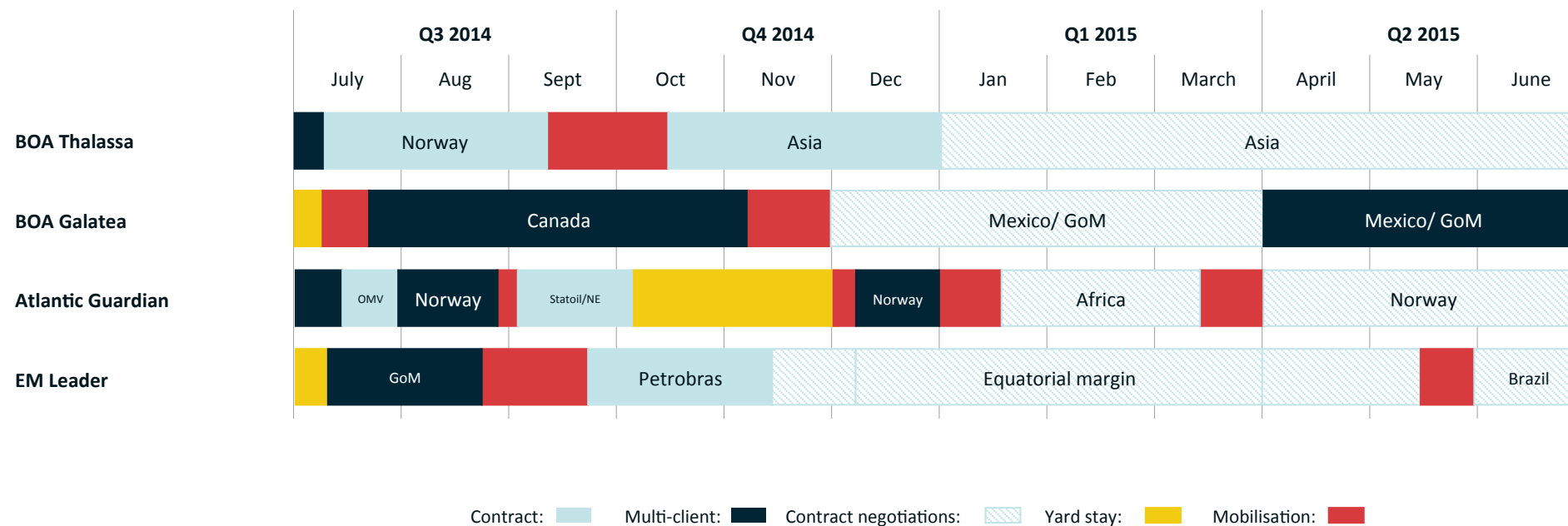
# East Canada Multi-Client Program

- Acquisition commenced on 25 July
- Expect to complete mid-November (vs late Oct)
- Approximately ~2,500 km<sup>2</sup> covered (vs 4,000)
  - Challenging weather conditions
- Calibrate survey to Flemish Pass Basin Statoil discoveries
- First licencing round expected mid-2015



# Vessel schedule

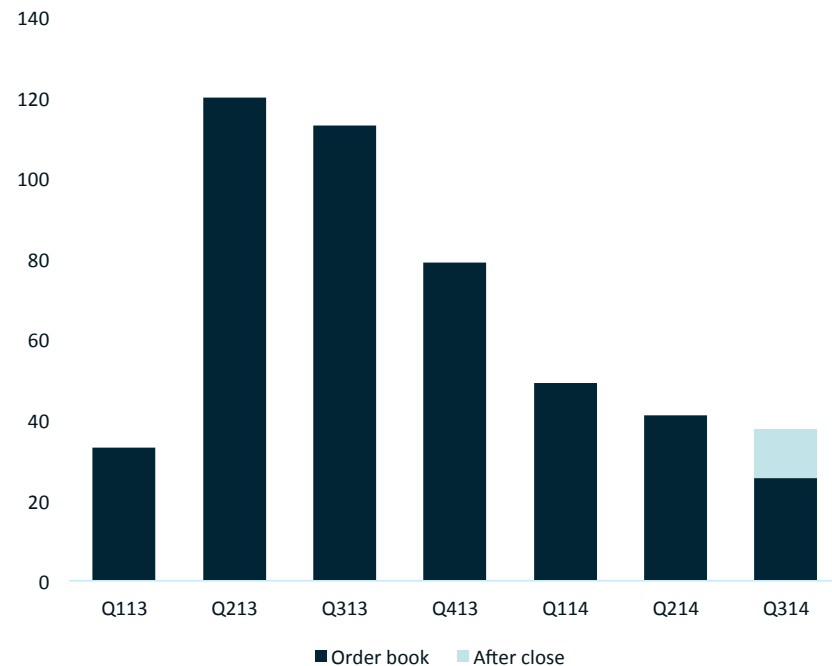
Expected vessel schedule as of 5 November 2014





# Market update

Order book (USD million)



## Contract opportunities

- Good start in Asia confirming previous guiding
- Expect to keep one vessel in Asia in 2015
- Tender for EM campaign in Uruguay
- High demand for EM from NOCs
- Opening up of Mexican shelf expected to increase activity

## Multi-client projects

- Continue to invest in key multi-client libraries and capitalize on existing investments
  - Norwegian Continental Shelf
  - US Gulf of Mexico
  - Mexico
  - Canada
- Expanded collaboration with seismic companies

# Summary and outlook

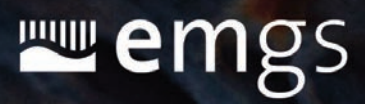
## Summary

- Awarded and completed multiple new contracts
- Investments in multi-client libraries in the US Gulf of Mexico, the Barents Sea and Canada
- EM technology prediction strength demonstrated through drilling results
- Solid balance sheet and flexible cost structure

## Outlook

- Maintain full year 2014 revenue guiding
- Increased demand for multi-client late sales
- Expect increased visibility into 2015





Questions?

Spot the difference.



# SPOT THE DIFFERENCE.

Appendix

# Income statement

USD million

	Quarter ending		Nine months ending	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Contract sales	29.8	21.5	111.7	71.2
Multi-client sales	11.9	2.1	33.8	28.5
<b>Total revenues</b>	<b>41.7</b>	<b>23.6</b>	<b>145.5</b>	<b>99.7</b>
Charter hire, fuel and crew expenses	11.1	8.9	45.5	30.9
Employee expenses	14.6	13.1	42.4	41.4
Other operating expenses	5.0	5.1	15.1	16.4
<b>EBITDA</b>	<b>11.0</b>	<b>(3.5)</b>	<b>42.4</b>	<b>11.0</b>
Depreciation and ordinary amortisation	3.8	4.5	12.4	13.2
Multi-client amortisation and impairment	1.8	1.4	9.6	11.2
<b>EBIT</b>	<b>5.4</b>	<b>(9.4)</b>	<b>20.4</b>	<b>(13.4)</b>
Net financial items	1.6	(2.5)	(2.3)	(1.2)
<b>Profit /(loss) before tax</b>	<b>7.0</b>	<b>(11.8)</b>	<b>18.1</b>	<b>(14.6)</b>
Income tax expense	0.0	0.4	5.3	1.8
<b>Net profit /(loss)</b>	<b>7.0</b>	<b>(12.2)</b>	<b>12.8</b>	<b>(16.4)</b>



# Financial position

USD million

## ASSETS

	Period ending	
	30.09.2014	30.09.2013
Goodwill	14.4	14.4
Deferred tax asset	1.9	-
Multi-client library	35.9	31.0
Other intangible assets	2.2	3.8
Property, plant and equipment	22.1	25.9
Assets under construction	26.0	18.3
Financial assets	7.6	-

<b>Total non-current assets</b>	<b>110.0</b>	<b>93.5</b>
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Trade receivables	41.4	27.4
Other current assets	30.8	34.0
Cash and cash equivalents	41.9	45.9
Restricted cash	0.7	1.0

<b>Total current assets</b>	<b>114.8</b>	<b>108.3</b>
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<b>TOTAL ASSETS</b>	<b>224.8</b>	<b>201.8</b>
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## EQUITY AND LIABILITIES

<b>Total equity</b>	<b>116.5</b>	<b>101.3</b>
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<b>Total non-current liabilities</b>	<b>66.7</b>	<b>65.8</b>
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Trade payables	14.6	15.6
Current tax liability	3.7	2.0
Other short term liabilities	20.3	16.5
Borrowings	3.1	0.6

<b>Total current liabilities</b>	<b>41.6</b>	<b>34.7</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>224.8</b>	<b>201.8</b>
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# Cash flow





USD million

	Nine months ending	
	30.09.2014	30.09.2013
Net cash flow from operating activities	23.6	39.1
Net cash flow from investing activities	(20.0)	(43.3)
Net cash flow from financial activities	(1.3)	10.9
Net increase in cash	2.2	6.6

## Largest shareholders (as of 5 November)

	Shareholder	Shares	Holding
1	MORGAN STANLEY & CO S/A MSCO CLIENT EQUI	18 576 200	9.30 %
2	PERESTROIKA AS	17 889 449	8.96 %
3	SKAGEN GLOBAL	9 673 473	4.84 %
4	MOMENTUM INVESTMENTS	9 604 920	4.81 %
5	ODIN OFFSHORE	9 585 051	4.80 %
6	VERDIPAPIRFONDET DNB	8 000 000	4.00 %
7	ODIN NORGE	7 272 410	3.64 %
8	CLEARSTREAM BANKING	5 620 966	2.81 %
9	SKAGEN VEKST	5 029 207	2.52 %
10	VERDIPAPIRFONDET DNB	4 916 670	2.46 %
11	STATOIL PENSJON C/O JP MORGAN CHASE	3 745 480	1.87 %
12	SKAGEN GLOBAL II	3 171 333	1.59 %
13	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	3 095 055	1.55 %
14	SYDBANK A/S S/A SYDINVEST	2 798 706	1.40 %
15	J.P. Morgan Chase Ba SPECIAL TREATY LEND	2 672 385	1.34 %

## Vessel charters and yard stays

	BOA Thalassa	BOA Galatea	Atlantic Guardian	EM Leader	EM Express
					
Firm Charter	December 2015	July 2016	1 March 2016	28 July 2014	Standby in Bergen at no cost to EMGS.
Options	1 x 1 year	1 x 1 year	3 x 1 year	Optional 1-, 3-, 6- or 12-month charters until 9 March 2015	
Yard stays		~ 4-5 weeks Q2/Q3 2014: 5 year class renewal	~ 5 weeks in Q4 2014		Not applicable
Vessel owner	BOA Offshore	BOA Offshore	North Sea Shipping	Seatrans	Seatrans Ship Management

# Electromagnetics in the E&P workflow

