



THIRD QUARTER 2015 RESULTS.

Oslo, 5 November 2015
CEO Stig Eide Sivertsen

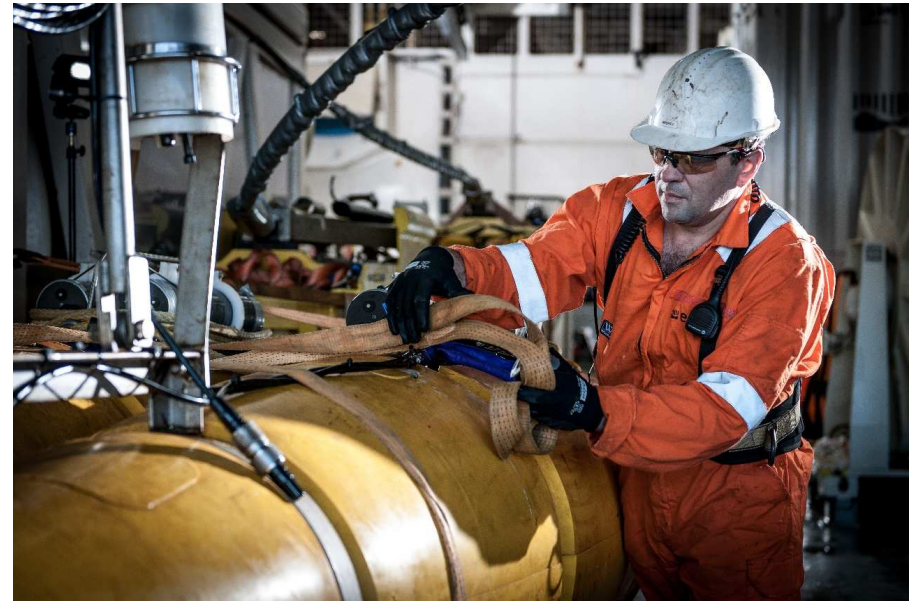
Spot the difference.

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Overview third quarter 2015

- Contract survey for oil company in Malaysia
 - First phase: ~USD 4 million completed
 - Currently operating on extension worth ~USD 7 million
- Deep-water acquisition for PEMEX in September
- Received permits for multi-client in Mexico and India
- Tender process in India, EMGS sole bidder
- Further cost reduction measures implemented
- Re-negotiated charter agreements
- Discussion with equity- and bondholders to find a sustainable capital structure



Third quarter vessel operations

BOA Galatea



MC in US Gulf of Mexico
Contract for PEMEX Sept

EM Leader



Offhire from 15 May

Atlantic Guardian



MC in Norway

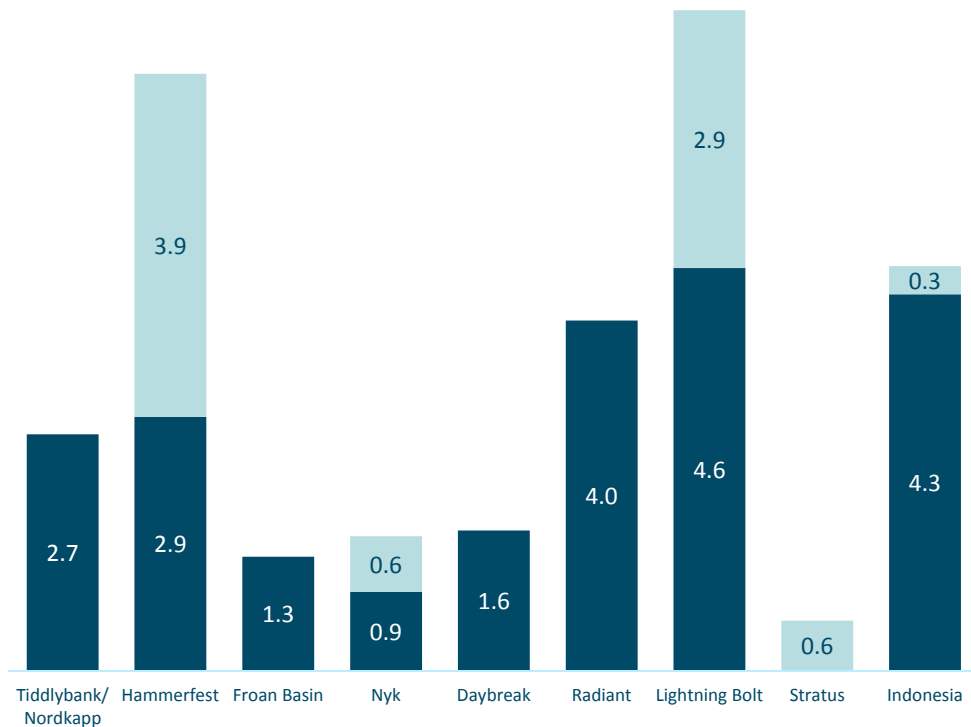
BOA Thalassa



Contract in Malaysia Sept

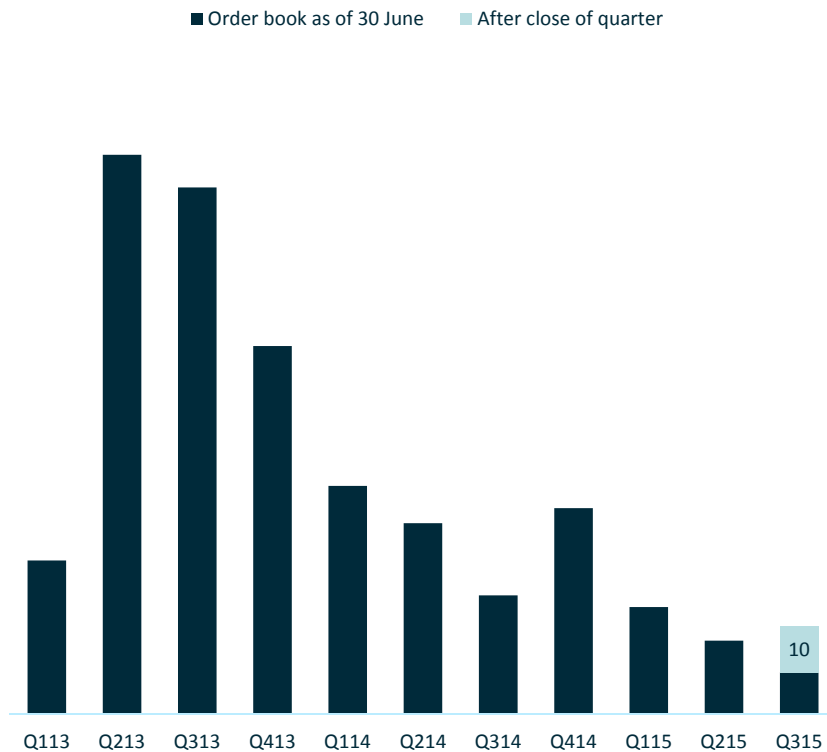
Targeted multi-client investments in key regions

2015 multi-client investment (USD million)



- Tiddlybank/Nordkapp
 - 50/50 JV with TGS in 1H
 - Relevant for 23rd licensing round
- Hammerfest/Froan/Nyk
 - Relevant for APA rounds
- Daybreak/Radiant, western US GoM
 - Annual licensing round, close August
- Lightning Bolt/Stratus, central/eastern US GoM
 - Annual licensing rounds, close March
- Indonesia
 - Licensing round, close December

Current market situation



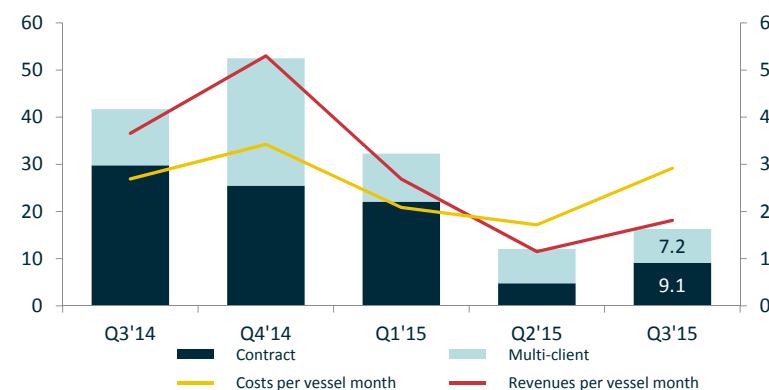
- Challenging market
 - Cautious spending from oil companies affects EM demand
 - Low visibility in some regions
 - Market outlook hard to predict, high uncertainty
- Progress on adoption
 - Good response from oil companies, high interest challenged by reduced budgets
 - Permits for multi-client in Mexico and India
 - Several new customers in the quarter, including supermajor

Third quarter key financials

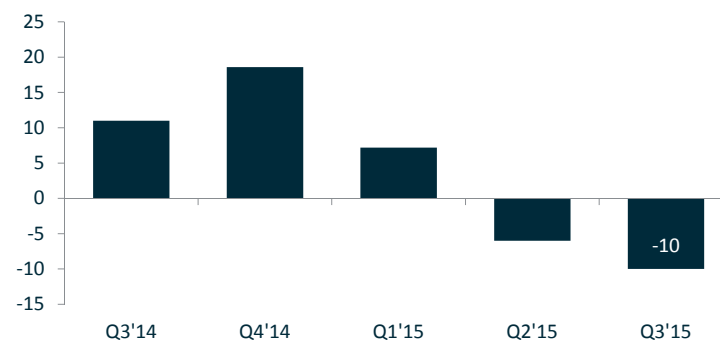
- Revenues of USD 16.3 million
- Run rate* of ~USD 29 million in Q3
- Provisions and one-off costs of ~USD 6 million in the quarter
- 9.0 vessel months as EM Leader is laid up
- Multi-client investment of USD 8.4 million in the quarter
- Impairment of multi-client library of USD 3.9 million and equipment of USD 1.6 million
- Utilisation of 64%, with 16% contract and 48% MC allocation

*Run rate is defined as: Operational costs (charter hire etc, employee expenses, other operating costs) pluss MC investments less provision for onerous contract and restructuring charges and other extraordinary items

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

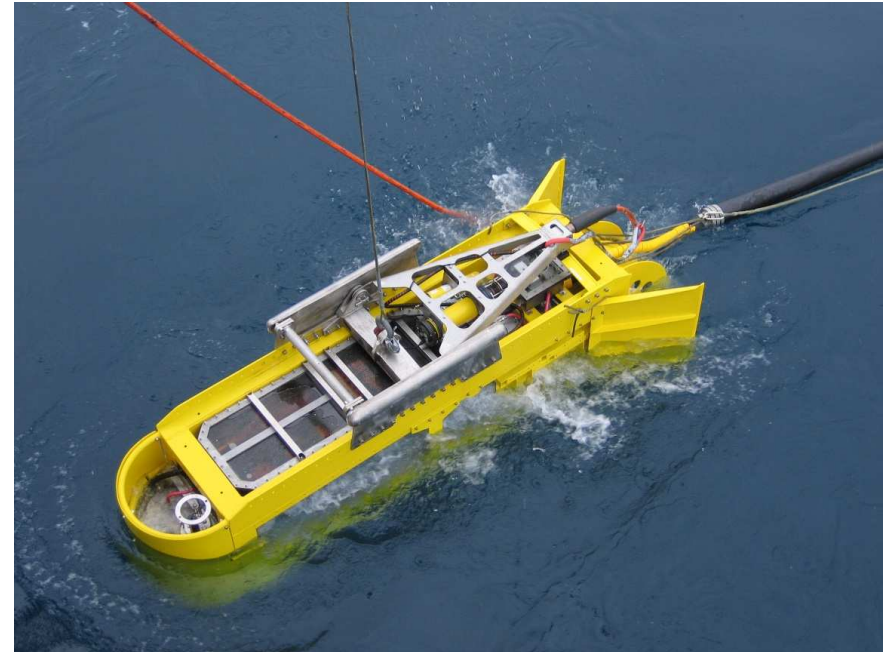


EBITDA (USD Million)



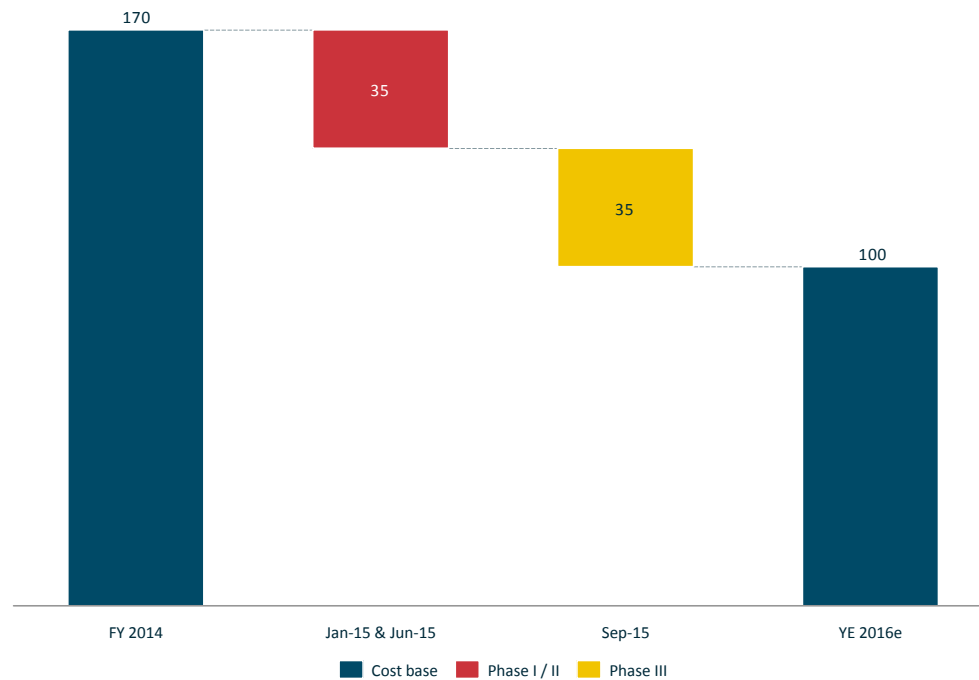
EMGS adjusts to current market conditions

- Implementation of comprehensive cost reducing measures to align to market activity
- Dialogue with vessel owners to secure charter agreements in line with current activities
- Consultations with shareholders regarding the potential to raise additional equity to support operations going forward
- Discussions with creditors to find a sustainable solution for the capital structure



Cost reduction program progressing as planned

Implications on operational cost base – USD million



Comments

- Cost reducing measures implemented to bring cost base in line with expected activity level
 - **Phase I (January 2015):** Re-evaluation of new hires, consultants, agents and travel costs
 - **Phase II (June 2015):** Reduction of fleet capacity from four to three vessels, 20% reduction in global headcount and CAPEX reduced by ~50%
 - **Phase III (September 2015):** Further reduction of fleet capacity from three to two vessels, 30% reduction in employee expenses and renegotiated terms with suppliers and sub-contractors
- New running cost base below USD 100 million, a reduction of 41% vs. FY 2014
 - EMGS is now in a much stronger position to weather the current crisis

Overview of the transaction

Bond extension and partial buy-back

- The maturity date of the EMGS02 is extended by 36 months, from 27 June 2016 to 27 June 2019
- Outstanding debt will be reduced by up to NOK 80 million through a voluntary bond buy-back at a 20% discount to par
 - Final size of the buy-back depends on bondholder participation, maximum cash spend is NOK 64 million
- Certain amendments to the bondholder agreement relating to restrictions on financial indebtedness and ability to pledge/dispose of the multi-client library
- The above proposal will be on the agenda of a bondholder meeting to be held on 19 November 2015
- Bondholders representing more than 2/3 of the Bond Issue have undertaken to vote in favour of the above proposal
- The result of the buy-back will be announced no later than 5 business days after the bondholder meeting
- Bonds will be cancelled following the buy-back

Rights issue

- Rights issue with gross proceeds between NOK 214-278 million at a subscription price of NOK 0.25
 - TERP¹ discount: 20-24%²
 - Total new shares to be issued: 856-1,112 million
 - Total dilution: ~81-85%
- The maximum size (NOK 278 million) of the rights issue is fully underwritten
- NOK 214 million will be used for general corporate purposes and to strengthen the Company's financial position
- Up to NOK 64 million will be raised to finance the buy-back
 - Final size is subject to bondholder's participation in the bond buy-back
- The capital issue will be confirmed in an EGM to be on 26 November 2015

Note: (1) TERP = Theoretical ex-rights price; (2) Based on the close price as of 4 November 2015 of NOK 0.67

Impact of the transaction

Comments

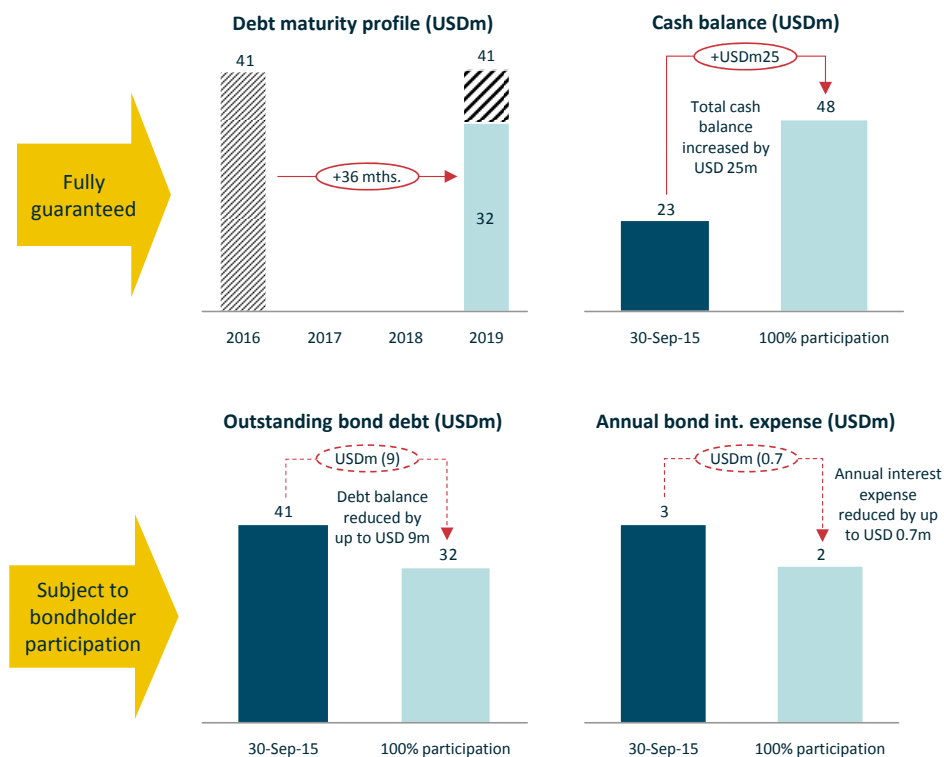
Operational

- The transaction provides EMGS with sufficient financial flexibility to weather the current downturn
- EMGS is now rigged for a prolonged period of reduced activity whilst maintaining its ability to respond rapidly when the market rebounds

Financial

- Eliminates the short term refinancing risk by extending the bond maturity by 36 months
- Strengthens the cash position by raising USD 25 million for operational purposes
- Up to 22.9% reduction of NOK 350 million bond
- Up to USD 0.7 million reduction of annual interest expense

Pro-forma effects post transaction¹



Note: (1) All figures have been converted from NOK using the official NOK/USD rate from Norges Bank as of 29 October 2015 of 8.57

Transaction timeline

Activity	Month Week of	November				December			
		02.11.	09.11.	16.11.	23.11.	30.11.	07.12.	14.12.	21.12.
Restructuring of bond									
Announcement of deal		▲ 05. Nov							
Bondholder Meeting		▲ 19. Nov							
Bond buy-back		19. Nov - 25. Nov							
Settlement of buy-back		21. Dec ▲							
Rights issue									
Announcement of deal		▲ 05. Nov							
EGM to approve the rights issue		▲ 26. Nov							
EMGS shares trade ex-rights to receive subscription rights		▲ 27. Nov							
Subscription period		01. Dec - 15. Dec							
Payment date		18. Dec ▲							

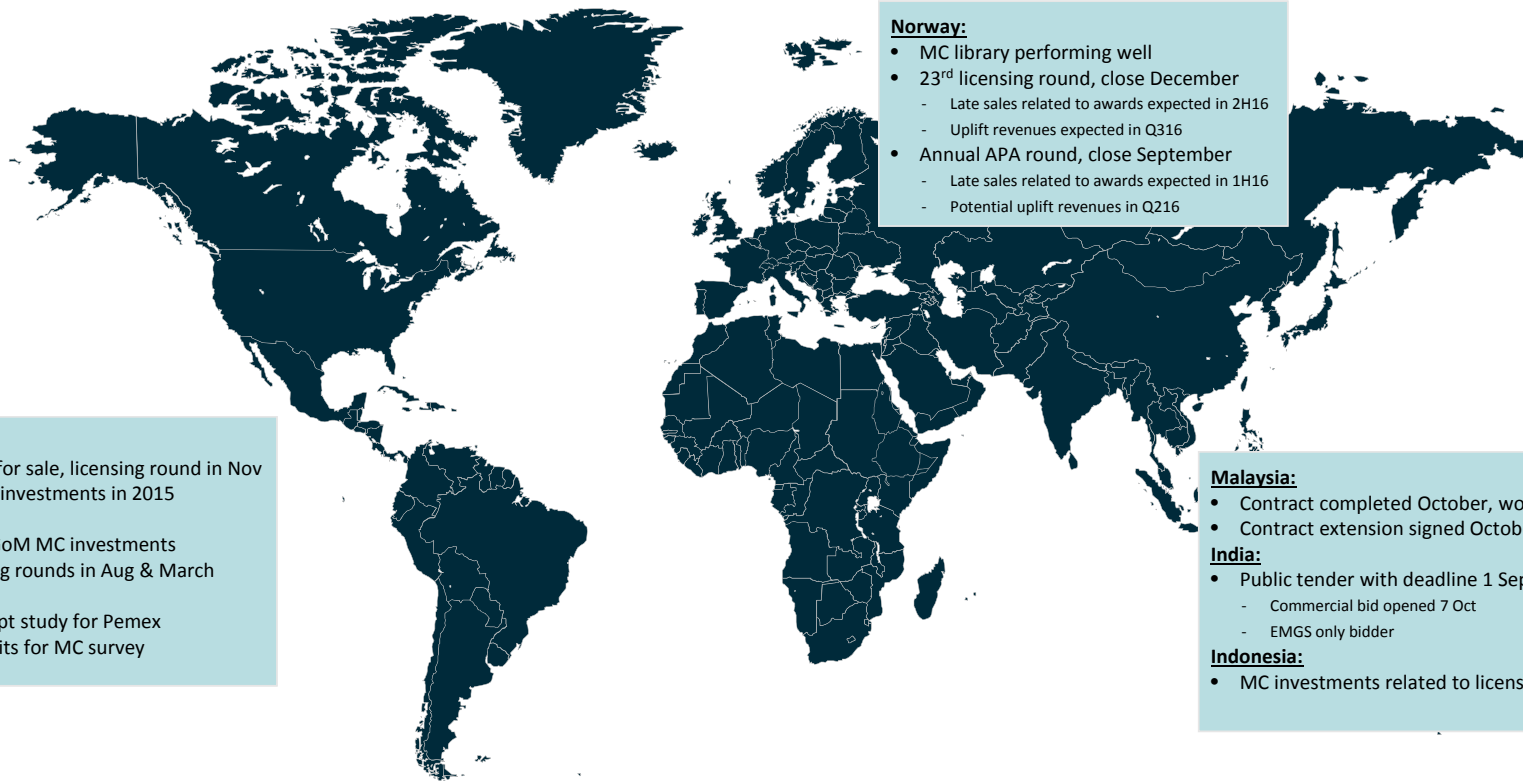
Note: All dates are indicative and subject to change



Market and outlook

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Contract opportunities and revenue triggers in the near term



Canada:

- Data available for sale, licensing round in Nov
- No further MC investments in 2015

US:

- Attractive US GoM MC investments
- Annual licensing rounds in Aug & March

Mexico:

- Proof of Concept study for Pemex
- Received permits for MC survey

Norway:

- MC library performing well
- 23rd licensing round, close December
 - Late sales related to awards expected in 2H16
 - Uplift revenues expected in Q316
- Annual APA round, close September
 - Late sales related to awards expected in 1H16
 - Potential uplift revenues in Q216

Malaysia:

- Contract completed October, worth USD 4 million
- Contract extension signed October, worth USD 7 million

India:

- Public tender with deadline 1 Sept
 - Commercial bid opened 7 Oct
 - EMGS only bidder

Indonesia:

- MC investments related to licensing round in Dec 2015

Summary and outlook

- Challenging market continued in Q3
 - Cost level reduced to sustain operations with a low oil price
 - Equity increased by up to USD 32.5 million
 - Bond loan to be extended by 36 months
 - Up to USD 7.5 million buy-back of bonds
-
- High interest from oil companies and authorities – good progress on adoption
 - Multi-client projects yielding good return – in particular on the NCS



Long term story remains intact



EMGS is the market leader in an attractive niche market, offering services highly complementary to traditional geophysical methods



E&P companies are showing increased interest in EMGS' technology, although current exploration spending is reduced from previous levels and investment decisions are delayed



EMGS is currently undergoing an extensive cost cutting program, and has revamped and tailored its sales organization in order to meet exploration needs and strengthen its competitive position



Questions?

Spot the difference.

SPOT THE DIFFERENCE.

Appendix

Income statement

USD million

	Quarter ending		Nine months ending		Year ending
	30.09.2015	30.09.2014	30.09.2015	30.09.2014	31.12.2014
Contract sales	9.1	29.8	36.0	111.7	137.2
Multi-client sales	7.2	11.9	24.6	33.8	60.8
Total revenues	16.3	41.7	60.6	145.5	198.0
Charter hire, fuel and crew expenses	9.3	11.1	20.6	45.5	61.3
Employee expenses	11.2	14.6	33.6	42.4	55.2
Other operating expenses	5.7	5.0	15.1	15.1	22.5
EBITDA	(10.0)	11.0	(8.7)	42.4	59.0
Depreciation and ordinary amortisation	3.5	3.8	10.0	12.4	16.3
Multi-client amortisation	2.6	1.8	4.5	7.6	14.6
Impairment of long-term assets	5.5	-	22.8	2.0	-
EBIT	(21.5)	5.4	(45.9)	20.4	28.1
Net financial items	(2.4)	1.6	(5.0)	(2.3)	3.1
Profit /(loss) before tax	(23.8)	7.0	(50.9)	18.1	31.2
Income tax expense	1.5	-	1.7	5.3	5.3
Net profit /(loss)	(25.4)	7.0	(52.6)	12.8	25.9

Financial position



USD million

ASSETS	30.09.2015	30.06.2015	31.12.2014
Goodwill	-	-	14.4
Deferred tax asset	1.8	3.0	3.0
Multi-client library	53.1	51.2	33.8
Other intangible assets	4.2	4.6	3.2
Property, plant and equipment	17.9	14.3	19.2
Assets under construction	27.5	34.0	31.2
Financial assets	1.9	2.0	4.8
Total non-current assets	106.4	109.1	109.6
Trade receivables	15.3	16.3	65.5
Other current assets	30.4	34.2	33.6
Cash and cash equivalents	20.2	38.5	25.2
Restricted cash	2.7	0.9	1.4
Total current assets	68.7	90.0	125.7
TOTAL ASSETS	175.1	199.0	235.3
EQUITY AND LIABILITIES			
Total equity	71.0	96.3	126.2
Total non-current liabilities	17.5	16.8	62.2
Trade payables	16.1	16.5	13.4
Current tax liability	4.7	4.6	4.6
Other short term liabilities	18.8	17.6	27.3
Borrowings	47.0	47.2	1.7
Total current liabilities	86.6	85.9	46.9
TOTAL EQUITY AND LIABILITIES	175.1	199.0	235.3

Largest shareholders as of 3 November

	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC	22,926,866	11.48
2	PERESTROIKA AS	18,889,449	9.46
3	Morgan Stanley & Co. MS & CO LLC MSCO CLI	18,576,200	9.30
4	ODIN OFFSHORE	9,651,299	4.83
5	CLEARSTREAM BANKING	8,164,590	4.09
6	ODIN NORGE	7,522,609	3.77
7	SKAGEN VEKST	5,029,207	2.52
8	VERDIPAPIRFONDET DNB	4,916,670	2.46
9	STATOIL PENSJON C/O JP MORGAN CHASE	4,568,645	2.29
10	NHO - P665AK JP MORGAN CHASE BANK	2,463,911	1.23
11	J.P. Morgan Chase Ba SPECIAL TREATY LENDI	2,301,996	1.15
12	BÆKKELAGET HOLDING A	2,212,899	1.11
13	DNB NAVIGATOR (II)	2,082,212	1.04
14	SPORTSMAGASINET AS	2,000,000	1.00
15	NORTHERN TRUST GSL C TREATY CLIENTS	1,500,000	0.75
16	J&J INVESTMENT AS	1,500,000	0.75
17	FLATHOLMEN AS	1,450,000	0.73
18	DNB LIVSFORSIKRING A	1,426,596	0.71
19	DnB NOR MARKETS, AKS DNB Bank ASA	1,398,635	0.70
20	KIESE JO	1,300,000	0.65

Vessel charters

	BOA Thalassa	BOA Galatea	Atlantic Guardian	EM Leader
				
Firm Charter	1 April 2017	15 December 2015	18 December 2017	8 December 2016
Current status	In operation, Asia	In operation, Mexico	Off-hire	Off-hire
Vessel owner	BOA Offshore	BOA Offshore	North Sea Shipping	Seatrans
Rates	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up	Fixed	Fixed	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up