



# EMGS ASA – FOURTH QUARTER & FULL YEAR PRESENTATION 2010

CEO, Roar Bekker  
CFO, Svein Knudsen  
Hotel Continental, 10 February 2011



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## HIGHLIGHTS

### Continued revenue growth

- Revenues of USD 27.2 million
- Negative EBITDA of USD 2.4 million

### Key projects for repeat customers

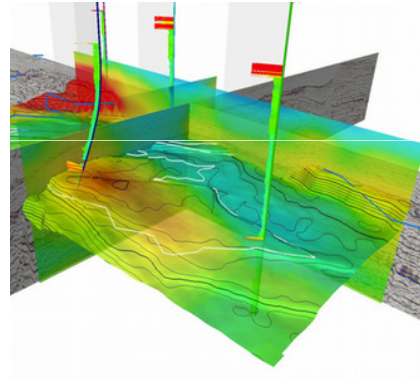
- 3D EM campaign for Shell: Brunei, Philippines, New Zealand
- Global campaign for major oil company

### Major contracts awarded for H1 2011

- Mozambique: USD 8.5 million
- Red Sea: USD 12.5 million

### Partnering with customers

- JIP with Shell: Next-generation EM



## 2010 – A TURNING POINT

### Revenue increase confirms EM market recovery

- Revenues up 28% to USD 75.4 million
- Fleet restructuring completed
- Financial position strengthened

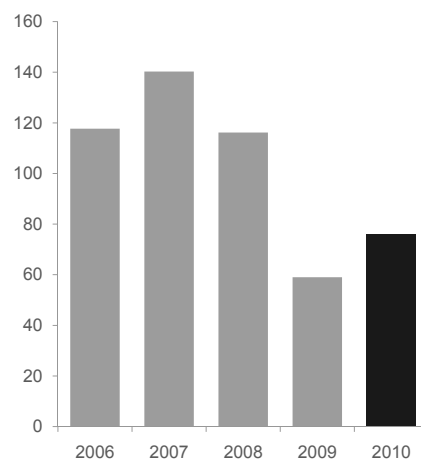
### Delivering on job #1; building backlog

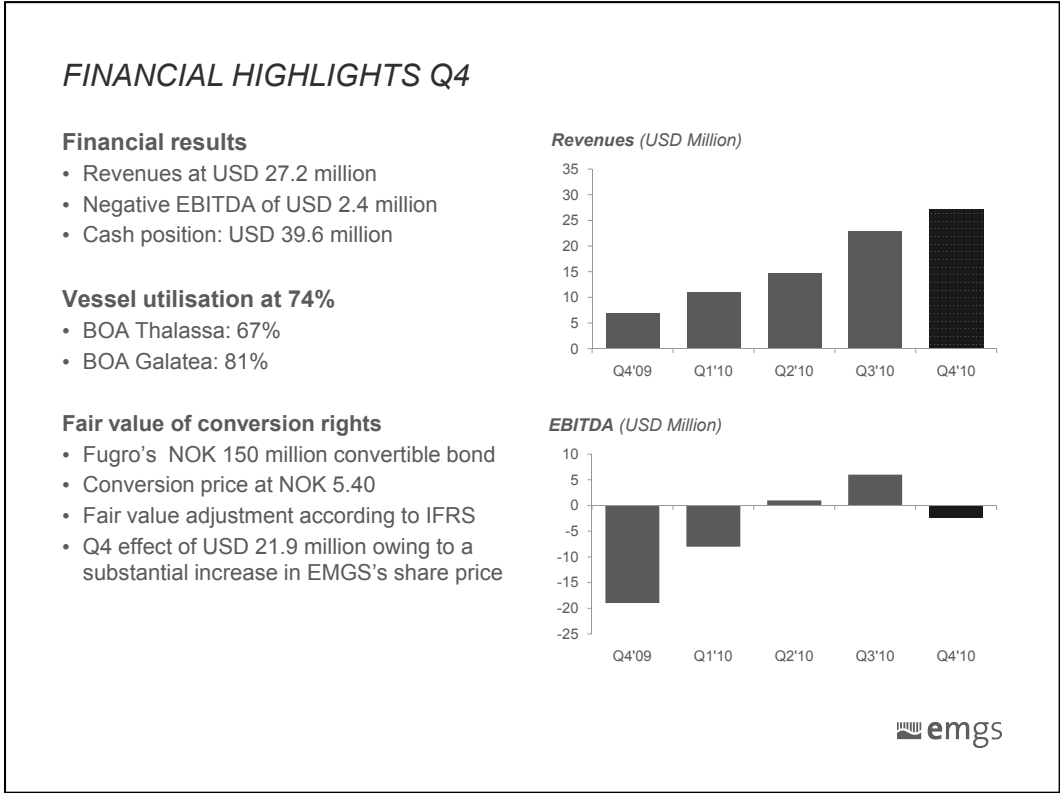
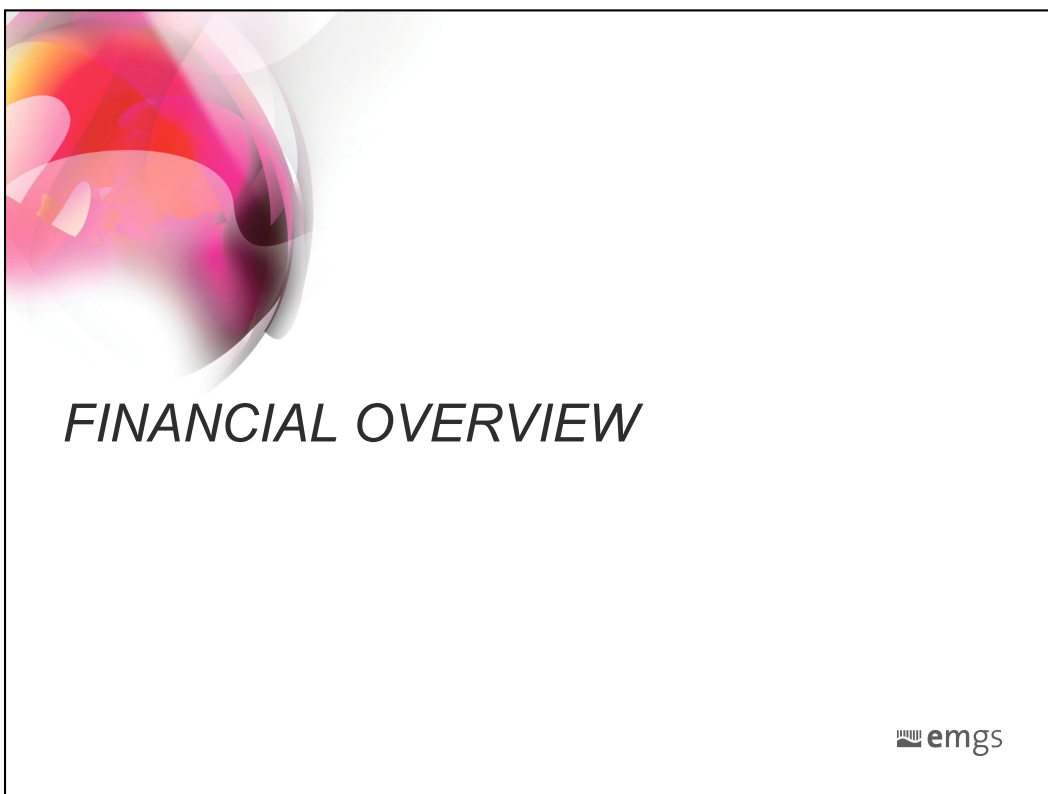
- BOA Galatea fully booked through July 2011
- BOA Thalassa fully booked through 2012

### Leading technology position enhanced

- 3D processing and imaging products fully commercialised
- Shallow water technology gaining market acceptance
- Joint industry project with Shell

Revenues (USD Million)





## OPERATIONAL COST LEVEL

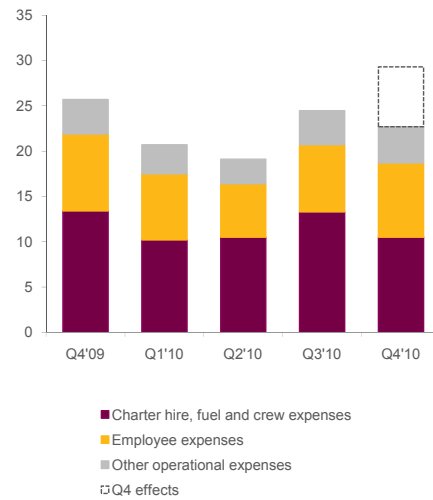
### Adjusted operational cost level

- Capitalization of multi-client costs
- BOA Thalassa's mobilisation to Mexico capitalized: USD 1.3 million in Q3
- Credit of USD 3.4 million from Schlumberger in Q3

### Quarterly cost base 2011

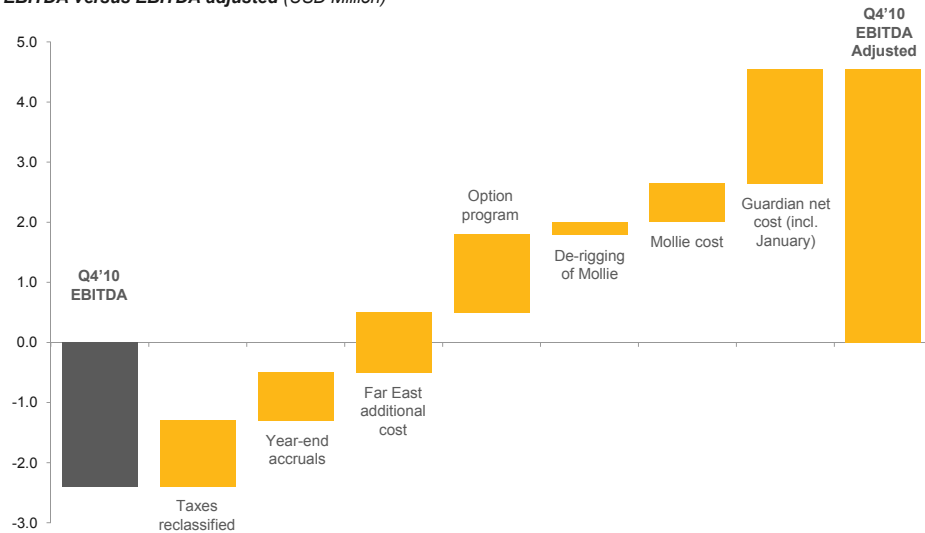
- USD 22 – 23 million
- Two vessel operation
- Current vessel schedule
- An additional vessel will add USD 5 million

Operational costs (USD Million)



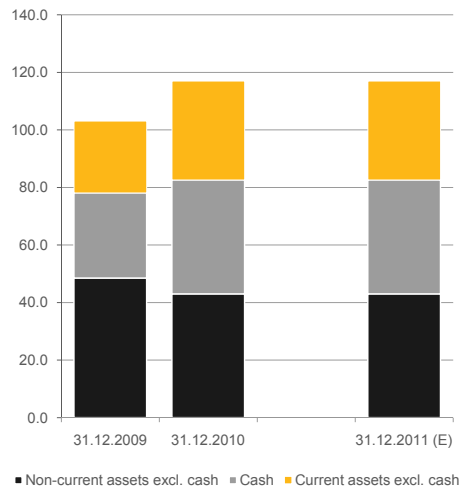
## BRIDGE ANALYSIS (EXTRAORDINARY ITEMS Q4)

EBITDA versus EBITDA adjusted (USD Million)

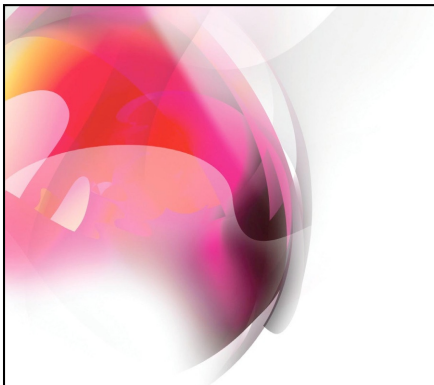
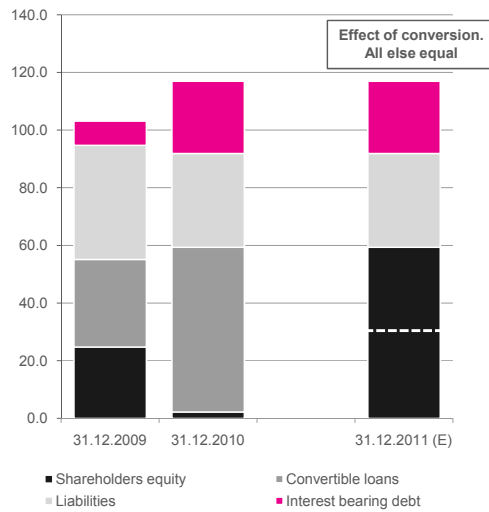


## CAPITAL STRUCTURE

**Assets (USD million)**

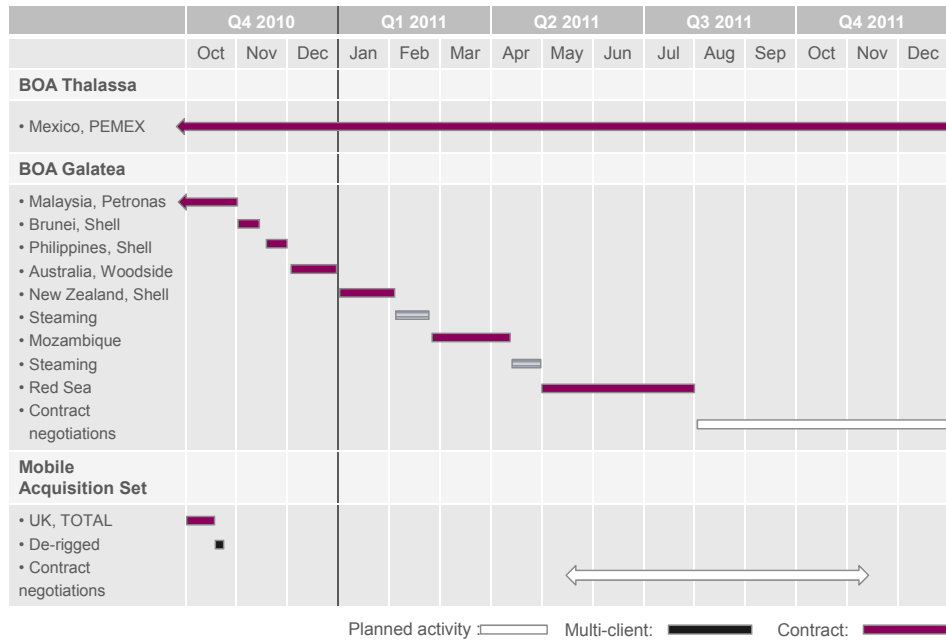


**Equity and liabilities (USD million)**



## OPERATIONAL OVERVIEW

## VESSEL ACTIVITY & BACKLOG



## UPDATE ON CONTRACT WITH PEMEX

### Large long-term contract

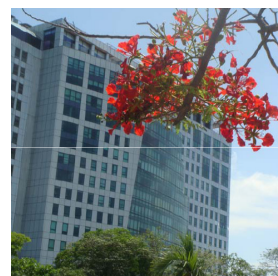
- USD 150 million in total
- Through 2012

### Status for Q4

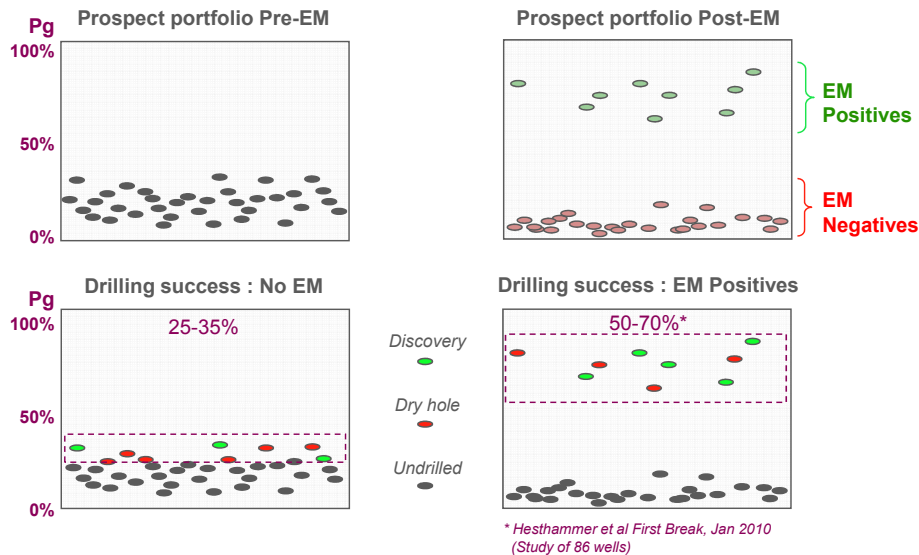
- Revenues: USD 14 million
- Close working relationship with PEMEX
- Ultra deep water

### Going forward

- Ultra deep-water acquisition through Q1
- Expect production will improve throughout H1
- On track with regard to contractual deliverables for the year



## DE-RISKING A PORTFOLIO OF PROSPECTS



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## ADDING VALUE IN EXPLORATION AND PRODUCTION

### Experience from the Barents Sea MC

- 3D EM data used as a basis for area selection and license applications
- Screening areas ahead of purchasing 3D seismic

### Shallow water survey in New Zealand

- Operators reviewing the Maui gas field
- Searching for adjacent satellite fields to extend production life of Maui

### MT\*/CSEM survey in the Red Sea

- Assist seismic imaging of large-scale salt layers
- Non-DHI segment emerging
- Interesting salt areas: Gulf of Mexico, Brazil, West Africa

\* Magnetotelluric surveying



Maui A platform, New Zealand

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## EXPANDING THE APPLICATION WINDOW THROUGH CUSTOMER COLLABORATION

### Creates new market opportunities

- Improved shallow water technology launched in 2010
- Several shallow water surveys performed of late (New Zealand, Nigeria, Malaysia, UK)

### JIP: Next generation EM System

- See deeper targets
- Higher resolution

**“We believe the next-generation system will at least double the number of hydrocarbon prospects we can evaluate with EM.”**

*Mark Rosenquist, Shell*



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## MARKET UPDATE

### Strong market fundamentals

- Increased E&P spending
- Positive oil price development

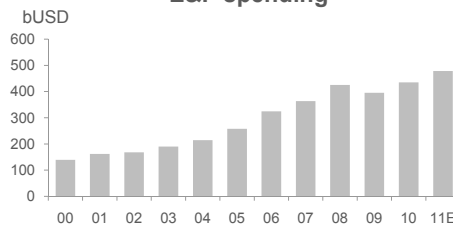
### Enhanced industry adoption

- Integration of EM, seismic and well logs
- Understanding the value proposition

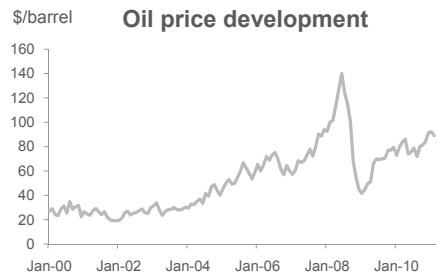
### Growing opportunity pipeline

- Further interest from NOCs
- Several multi-client opportunities

### E&P spending

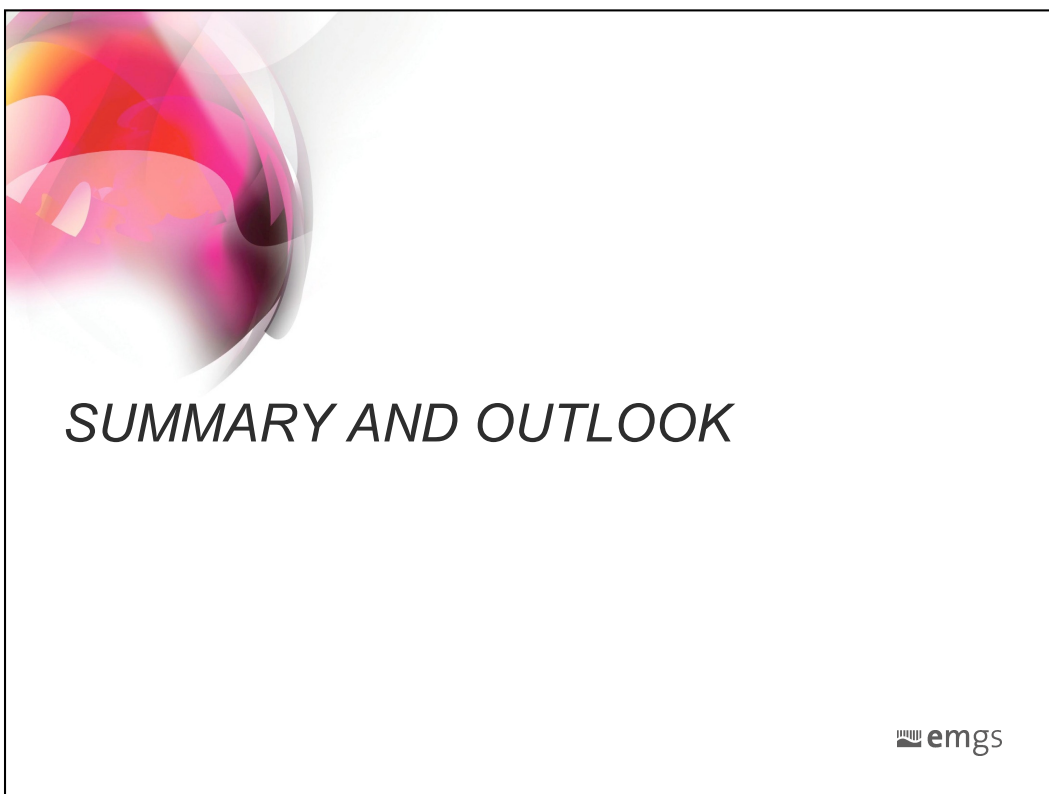


### Oil price development



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## *SUMMARY*

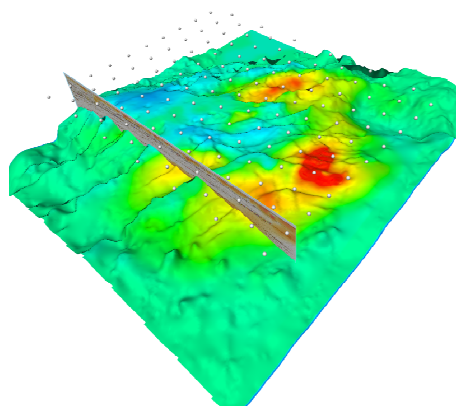
Continued revenue growth

Financial position strengthened

Significant contracts awarded

75% contract coverage in 2011

Partnering with customers to enhance  
industry adoption and technology  
development



## OUTLOOK

Backlog currently stands at USD 155 million

Growing opportunity pipeline

PEMEX contract has triggered interest from other NOCs

Expect to re-mobilise the mobile acquisition set in H1 2011

Foresee Positive Net Income for 2011 and improved balance sheet through the year



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## Q & A

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## CONSOLIDATED INCOME STATEMENT

USD million

	YEAR ENDING		YEAR ENDING	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Revenues</b>	<b>27.2</b>	<b>7.0</b>	<b>75.4</b>	<b>59.0</b>
Charter hire, fuel and crew expenses	14.9	13.4	32.9	55.2
Employee expenses	9.9	8.5	30.5	30.2
Other operating expenses	4.8	3.8	14.5	13.3
<b>EBITDA</b>	<b>(2.4)</b>	<b>(18.7)</b>	<b>(2.4)</b>	<b>(39.7)</b>
Depreciation and ordinary amortisation	3.7	6.0	18.4	23.7
Multi-client amortisation	-	-	4.1	-
<b>EBIT</b>	<b>(6.1)</b>	<b>(24.6)</b>	<b>(24.9)</b>	<b>(63.4)</b>
Net financial items	(24.1)	(5.1)	(31.4)	(7.2)
Share of profit of joint venture	-	(2.2)	-	(10.7)
<b>Profit /(loss) before tax</b>	<b>(30.2)</b>	<b>(31.9)</b>	<b>(56.3)</b>	<b>(81.4)</b>
Income tax expense	(1.8)	(1.1)	(1.1)	(0.1)
<b>Net profit /(loss)</b>	<b>(28.4)</b>	<b>(30.8)</b>	<b>(55.2)</b>	<b>(81.3)</b>

## CONSOLIDATED BALANCE SHEET

USD million

	PERIOD ENDING	
	31.12.2010	31.12.2009
<b>ASSETS</b>		
Intangible assets	7.8	2.9
Property, plant and equipment	23.1	32.1
Assets under construction	9.1	10.5
Investment in joint venture	3.0	3.0
Restricted cash	7.3	-
<b>Total non-current assets</b>	<b>50.4</b>	<b>48.5</b>
Trade receivables	20.6	9.9
Other current assets	13.8	15.1
Cash and cash equivalents	21.3	29.6
Restricted cash	10.9	-
<b>Total current assets</b>	<b>66.6</b>	<b>54.6</b>
<b>TOTAL ASSETS</b>	<b>117.0</b>	<b>103.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>2.2</b>	<b>24.7</b>
<b>Total non-current liabilities</b>	<b>7.7</b>	<b>9.7</b>
Trade payables	12.8	14.6
Current tax liability	0.9	2.0
Provisions	0.8	6.7
Other short term liabilities	13.0	10.8
Borrowings	79.6	34.5
<b>Total current liabilities</b>	<b>25.7</b>	<b>68.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117.0</b>	<b>103.1</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	YEAR ENDING	
	31.12.2010	31.12.2009
<b>Net cash flow from operating activities</b>	<b>(20.4)</b>	<b>(35.4)</b>
<b>Net cash flow from investing activities</b>	<b>(13.9)</b>	<b>(7.3)</b>
<b>Net cash flow from financial activities</b>	<b>44.3</b>	<b>44.2</b>
<b>Net increase in cash</b>	<b>10.0</b>	<b>1.5</b>



## LARGEST SHAREHOLDERS (AS OF 8 FEBRUARY)

	SHAREHOLDER	SHARES	HOLDING
1	WARBURG PINCUS	61 873 434	40.262%
2	ODIN NORGE	7 509 924	4.88 %
3	ODIN OFFSHORE	3 860 000	2.51 %
4	DNB NOR SMB	3 700 000	2.41 %
5	JPMORGAN CHASE BANK	3 249 182	2.11 %
6	SISSENER SIRIUS ASA	3 100 000	2.02 %
7	SUNDT AS	2 200 000	1.43 %
8	DNB NOR NAVIGATOR	2 170 123	1.41 %
9	TOLUMA NORDEN AS	2 050 000	1.33 %
10	BRUHEIM, BJARTE HENRY	2 000 088	1.30 %
11	STATOIL PENSJON	1 964 596	1.28 %
12	DELPHI NORGE	1 900 000	1.24 %
13	SPORTSMAGASINET AS	1 397 000	0.91 %
14	DELPHI VEKST	1 396 070	0.91 %
15	JPMBLSA	1 304 531	0.85 %