



ELECTROMAGNETIC GEOSERVICES ASA FOURTH QUARTER 2013 RESULTS

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HIGHLIGHTS FOURTH QUARTER 2013

Operational highlights

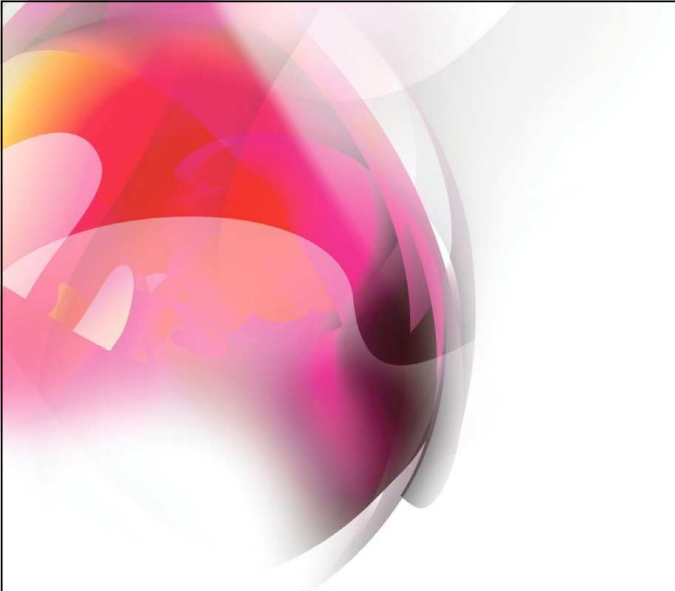
- Two vessels operating for Pemex - challenging conditions
- Completion of contracts in Brunei, Malaysia and Angola
- Contract for BOA Thalassa with Apache in Australia
- Strong technology track-record in the Barents Sea
 - Expansion of cooperation with TGS
 - Multi-client sale to Tullow Oil and OMV Norge
 - Substantial multi-client sale & strategic partnership North Energy

Financial highlights

- Revenues of USD 44.9 million
- EBITDA of USD 6.5 million

Outlook and guidance

- Full year 2014 revenues of more than USD 200 million
- Long-term outlook intact



FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

Key figures Q4

- Revenues of USD 44.9 million
- EBITDA of USD 6.5 million
- Net income of USD 1.3 million

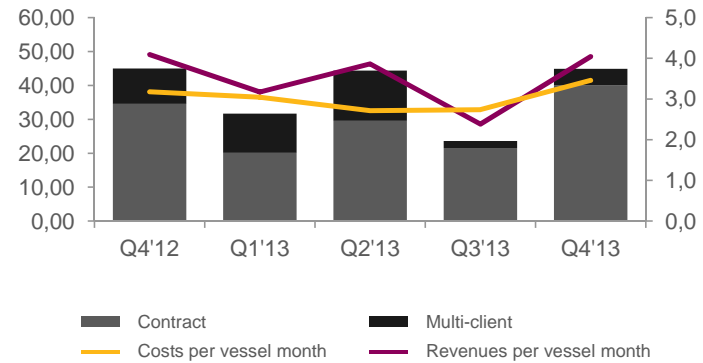
Multi-client Q4

- Sales of USD 4.8 million
- Amortisation of USD 1.1 million
- Investments of USD 1.5 million
- Net book value of USD 28.1 million

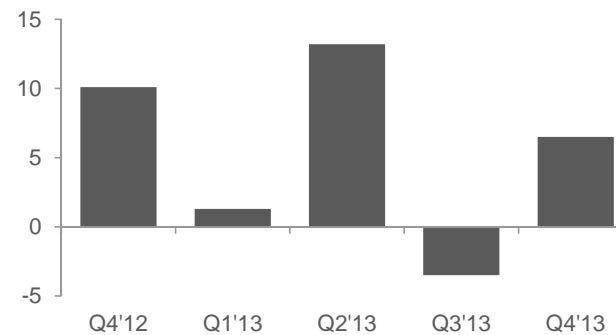
Key figures 2014

- Revenues of USD 144.6 million
 - Multi-client: USD 33.3 million
- EBITDA of USD 17.5 million
- Net loss of USD 15.1 million

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

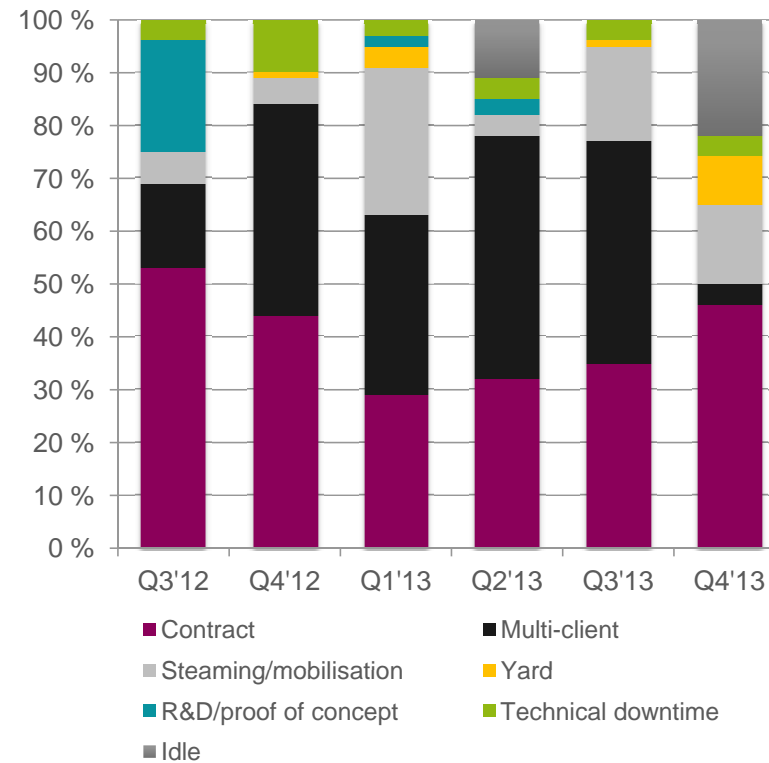


EBITDA (USD Million)



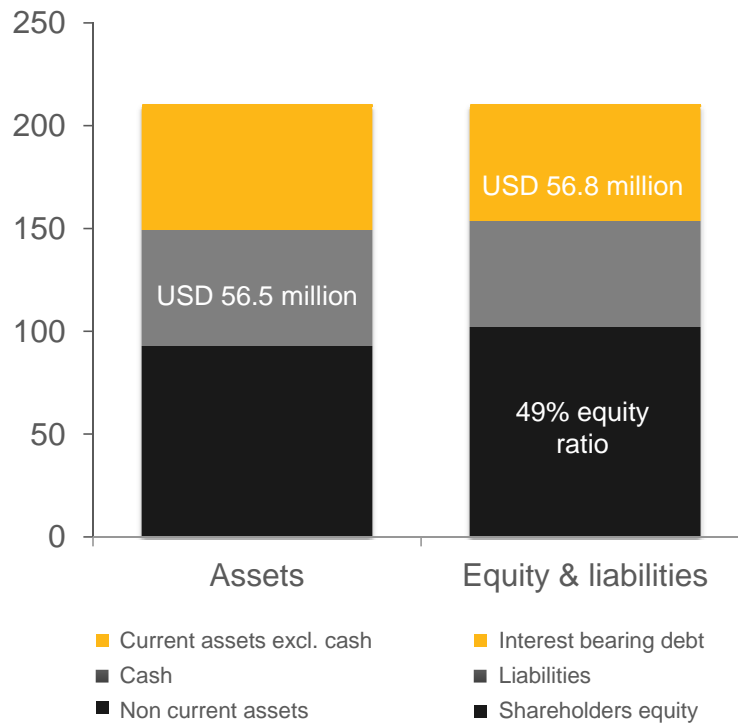
VESSEL UTILISATION

- Fleet utilisation at 50%
 - Contract: 46%
 - Multi-client: 4%
- BOA Thalassa (37%)
 - Completed contract in Brunei and Malaysia
 - Yard stay of 14 days
 - Waiting for permits to Australia
- BOA Galatea (89%)
 - Operating for Pemex
 - Challenging conditions causing technical downtime
- Atlantic Guardian (38%)
 - Steaming/ mobilising to Mexico
 - 3 weeks delay due to repair of thruster
- EM Leader (27%)
 - Completed contract in Angola
 - Charter expired on 3 December



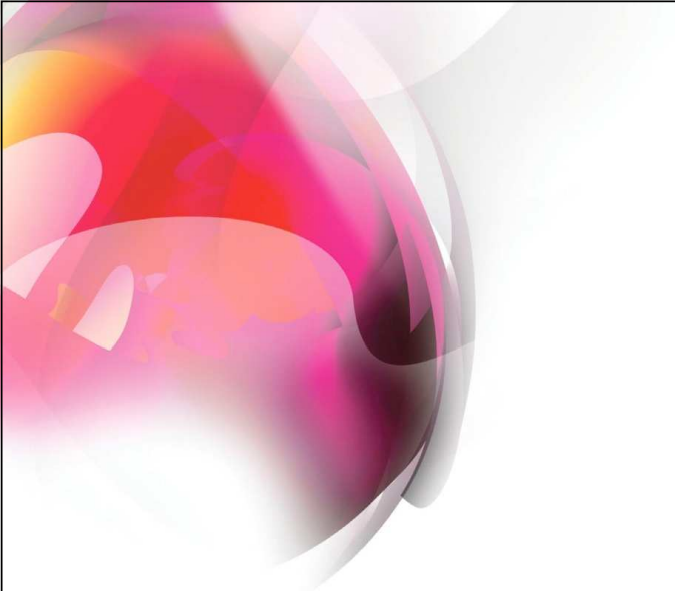
CAPITAL STRUCTURE

Balance sheet as at 31.12.13 (USD million)



Cash and working capital

- Cash at USD 56.5 million (46.9 Q3)
- Trade receivables increased by USD 4.2 million to USD 31.5 million
- Other receivables reduced by USD 3.6 million
- Trade payables at USD 15.9 million



OPERATIONAL OVERVIEW

UPDATE ON CONTRACT WITH PEMEX

Large long-term contract

- USD 100 million
- Estimated to 15-16 vessel months
- Possible extensions of 2 x USD 25 million

Status for Q4

- Two vessels – appr. 4 vessel months
- Challenging conditions
- Revenues of USD 24 million
- Close relationship with PEMEX

Going forward

- Ultra deep-water acquisition for Galatea through Q1
- Expect production to improve throughout H1
- Exciting opportunities following the opening of the Mexican continental shelf



STRATEGIC PARTNERSHIP WITH NORTH ENERGY

Substantial multi-client sale – USD 12.1 million

- Sale of Barents Sea EM data library
- Payment in convertible bond – strike price of NOK 4.15, coupon of 6% and maturity 6 months

Pre-funding of future Barents campaign – USD 1.6 million

- Commitment from North Energy to pre-fund
- Payment in cash

Sale of consulting services – USD 2.4 million

- Integration of EM into North Energy's exploration workflow
- Payment in cash

EMGS participate in private placement

- EMGS participate with NOK 20 million in North Energy's private placement
- Strengthening the cooperation
- Board member nominated by EMGS

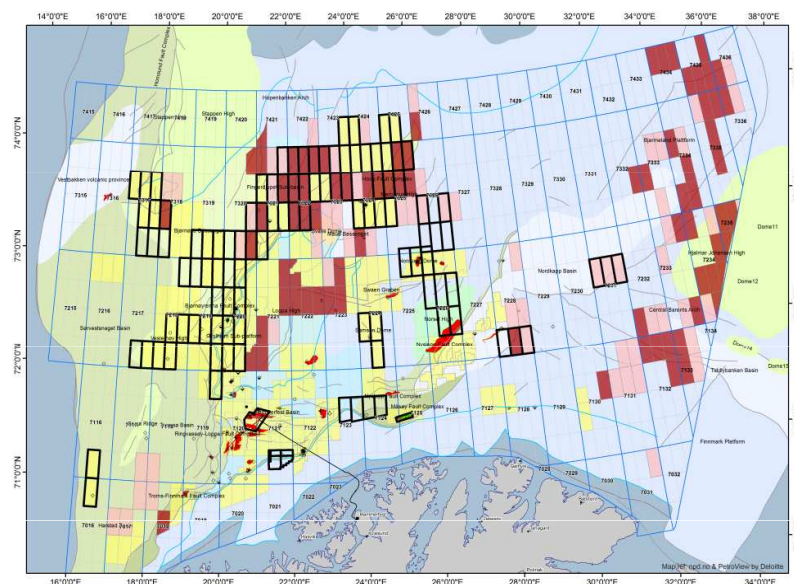


Fits our strategy - integrating EM in the exploration workflow



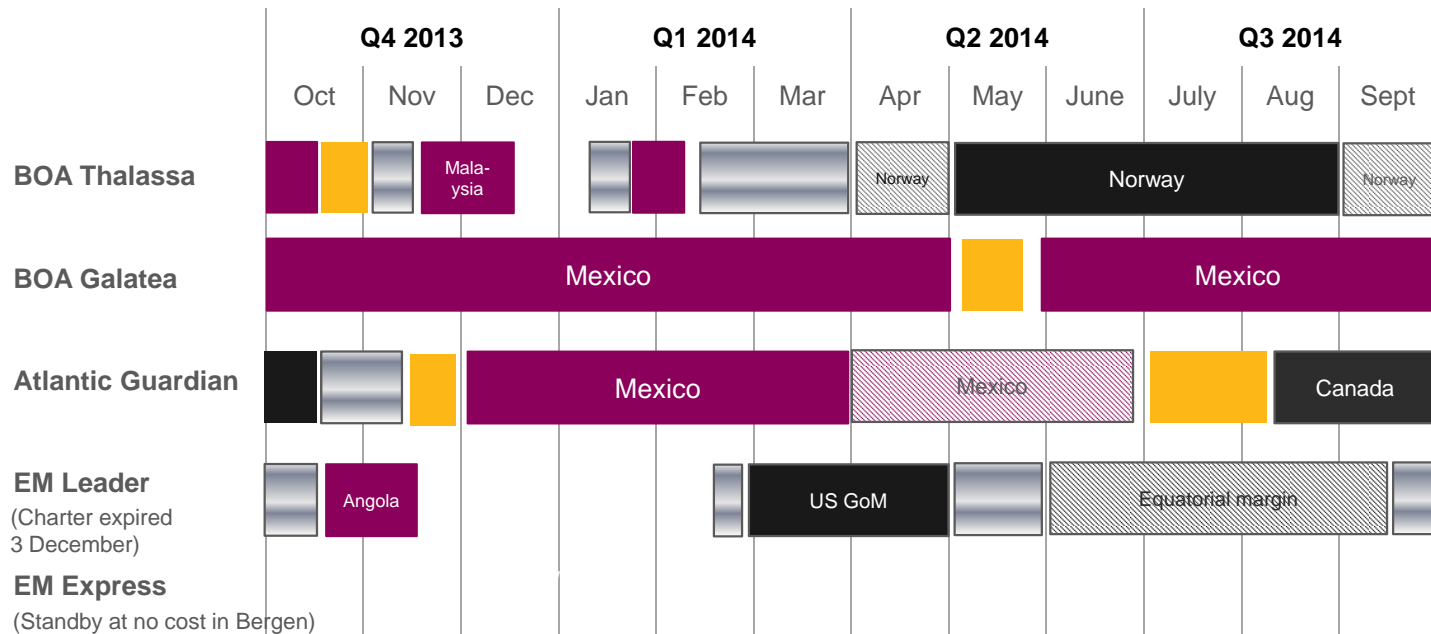
BARENTS SEA – EM TECHNOLOGY IMPROVES EXPLORATION SUCCESS

- Strong track record confirms technology – 20 of 20 exploration wells
 - «The story of the broken seals»
 - Large shallow targets
- Extended partnership with TGS
 - Proving the value of integrating the seismic and EM dataset
 - TGS increase number of blocks from 11 to 17 and investment from 20 to 30%
- Recent multi-client sales to OMV, Tullow & North Energy
- 23rd round nominations good match to EMGS program
 - Existing library covering 18 of 25 most popular blocks
 - Permits for Barents Sea, including parts of southeast area



VESSEL SCHEDULE

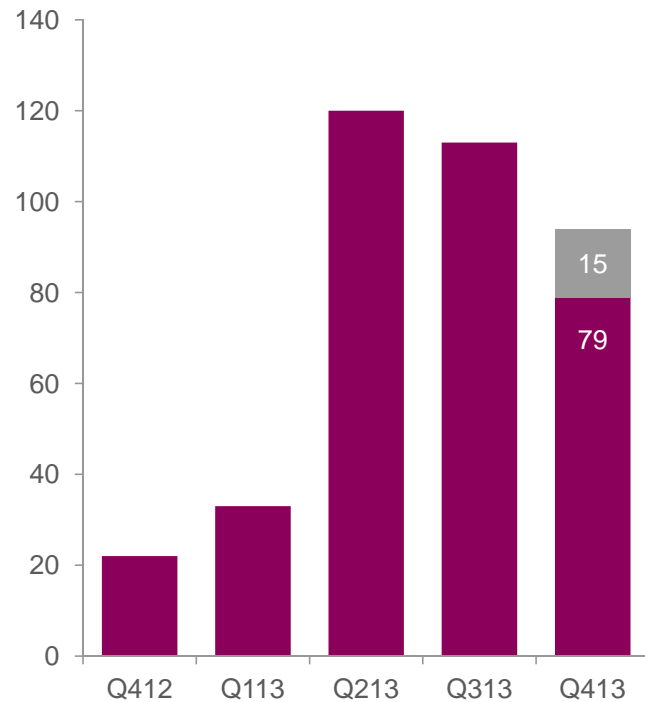
Expected vessel schedule as of 5 February 2014



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

MARKET UPDATE

Order book (USD Million)



Contract coverage

- Contract for Apache in Australia
- Two vessels operating for Pemex

Multi-client sales

- Sales to North Energy in Q1
- Developed opportunities in Norway, US GoM and Canada

Contract opportunities

- Contract negotiations in Norway, Brazil, Angola, India and Southeast Asia

Continued focus on large NOC contracts

- Targeting to close 1-2 major contracts in 2014

SUMMARY AND OUTLOOK

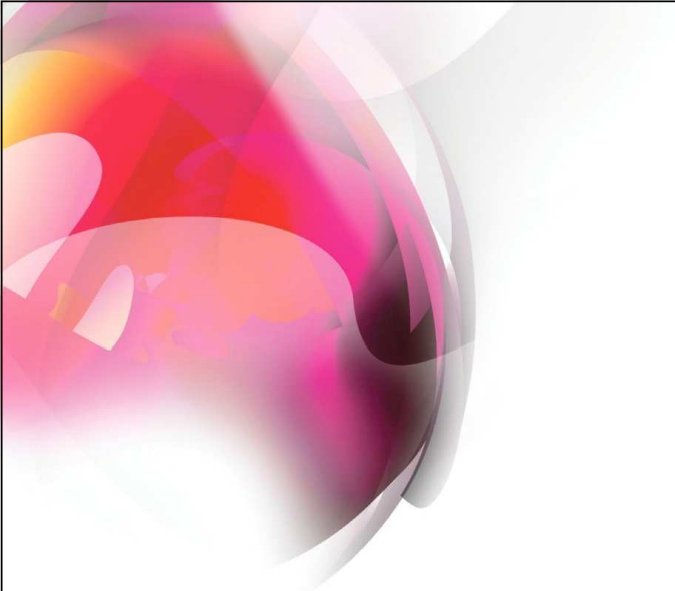
Summary

- Two vessels working for Pemex
- Positive development in the Barents Sea
 - Extended cooperation with TGS
 - Strategic agreement with North Energy
- Solid financial position

Outlook

- Good contract coverage for 1H14
- Exciting investment opportunities
- Full year 2014 revenue guiding of more than USD 200 million - depending on mix of capacity
- CAPEX estimated to less than USD 15 million

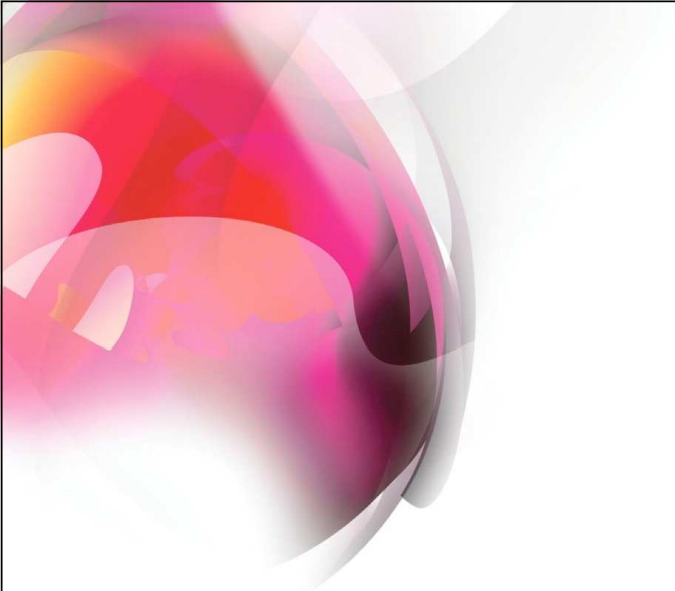




Q&A

Welcome back – Q1 2013 results
8 May 2014

Save the date – capital markets day
26 March 2014



APPENDIX

VESSEL CHARTERS AND YARD STAYS

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

CONSOLIDATED INCOME STATEMENT

USD million	QUARTER ENDING		YEAR ENDING	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Contract sales	40.1	34.6	111.3	176.1
Multi-client sales	4.8	10.4	33.3	24.7
Total revenues	44.9	45.0	144.6	200.8
Charter hire, fuel and crew expenses	20.3	12.7	51.2	68.8
Employee expenses	12.9	16.2	54.3	55.1
Other operating expenses	5.1	6.0	21.5	21.1
EBITDA	6.5	10.1	17.5	55.9
Depreciation and ordinary amortisation	4.3	4.1	17.5	13.9
Multi-client amortisation	1.1	4.3	12.3	12.7
EBIT	1.1	1.7	(12.3)	29.2
Net financial items	0.3	(2.9)	(0.9)	(11.3)
Profit /(loss) before tax	1.4	(1.2)	(13.2)	17.9
Income tax expense	0.1	(0.5)	1.9	6.0
Net profit /(loss)	1.3	(0.7)	(15.1)	11.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million

	YEAR ENDING	
	31.12.2013	31.12.2012
ASSETS		
Goodwill	14.4	14.4
Multi-client library	28.1	14.1
Intangible assets	3.4	4.9
Property, plant and equipment	27.7	32.3
Assets under construction	19.2	10.9
Total non-current assets	92.8	76.6
Trade receivables	31.5	47.0
Other current assets	29.4	27.8
Cash and cash equivalents	55.3	39.3
Restricted cash	1.2	8.5
Total current assets	117.5	122.6
TOTAL ASSETS	210.3	199.2
EQUITY AND LIABILITIES		
Total equity	102.2	114.0
Total non-current liabilities	67.3	52.1
Trade payables	15.9	9.6
Current tax liability	2.3	2.4
Other short term liabilities	22.4	19.8
Borrowings	0.1	1.3
Total current liabilities	40.8	33.1
TOTAL EQUITY AND LIABILITIES	210.3	199.2

CONSOLIDATED STATEMENT OF CASH FLOW

USD million

	YEAR ENDING	
	31.12.2013	31.12.2012
Net cash flow from operating activities	57.6	28.7
Net cash flow from investing activities	(51.1)	(42.8)
Net cash flow from financial activities	9.5	(4.5)
Net increase in cash	16.0	(18.5)

LARGEST SHAREHOLDERS (AS OF 5 FEBRUARY)

	SHAREHOLDER	SHARES	HOLDING
1	FIDELITY FUNDS	11 505 317	5.76 %
2	MORGAN STANLEY & CO S/A MSCO CLIENT EQUI	10 574 938	5.29 %
3	SKAGEN GLOBAL	10 124 112	5.07 %
4	ODIN OFFSHORE	8 473 631	4.24 %
5	ODIN NORGE	7 838 224	3.92 %
6	VERDIPAPIRFONDET DNB	7 700 000	3.86 %
7	CLEARSTREAM BANKING	6 222 541	3.12 %
8	SKAGEN VEKST	5 029 207	2.52 %
9	VERDIPAPIRFONDET DNB	4 859 407	2.43 %
10	J.P. MORGAN CHASE BA A/C US RESIDENT NON	4 554 314	2.28 %
11	MOMENTUM INVESTMENTS	3 875 000	1.94 %
12	STATOIL PENSJON C/O JP MORGAN CHASE	3 783 655	1.89 %
13	SKAGEN GLOBAL II	3 282 333	1.64 %
14	SUNDT AS	3 026 833	1.52 %
15	JPMORGAN CLEARING CO A/C CLEARING ACCOUNT	3 006 833	1.51 %