



FOURTH QUARTER 2014 RESULTS.

Oslo, 5 February 2015,
CEO Bjarte Bruheim and CFO Svein Knudsen

Spot the difference.

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EMGS today

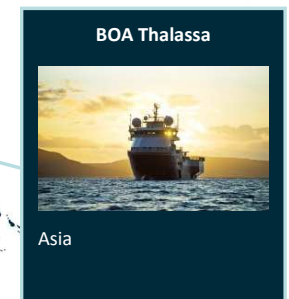
- Strong financial position
 - Flexible and asset-light business model
- Revenue-generating assets
 - 4 vessels in operation
 - 4 growing multi-client libraries
- Proven technology 3D platform
 - Full-azimuth 3D EM
 - JIP for next generation EM equipment with Shell and Statoil to further expand the market
- Changed and invested in strengthened sales organisation tailored to meet exploration needs



EMGS revenue-generating assets – MC libraries



EMGS revenue-generating assets – Fleet

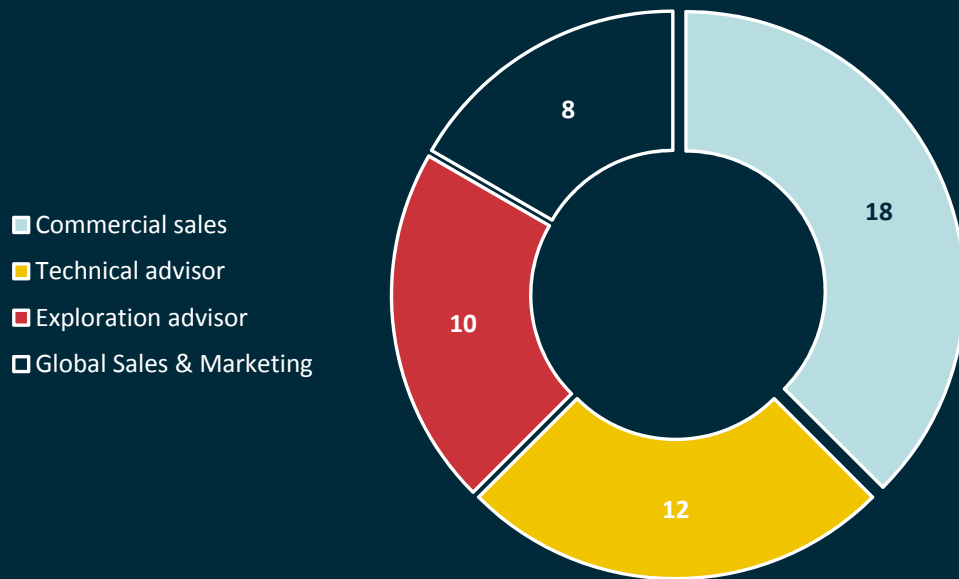


EMGS after 3D EM introduction - a sustainable business

Amounts in 1,000 USD	2011	2012	2013	2014	SUM
Contract revenue	162 904	176 118	111 284	137 222	587 528
MC Revenue	9 510	24 713	33 314	60 801	128 338
Net Revenue	172 414	200 831	144 598	198 023	715 866
Operating profit	25 139	29 224	-12 285	30 128	
Net Income	10 153	11 895	-15 095	27 886	
Earnings Per Share, in 1.00 USD	0,06	0,06	-0,08	0.14	
EBITDA	41 833	55 853	17 547	61 017	
EBITDA Adjusted for MC	39 536	34 584	-14 509	31 216	
MC Library in square kilometer	29 999	44 429	60 579	76 394	
MC Library Balance Sheet value	5 176	14 126	28 108	33 758	

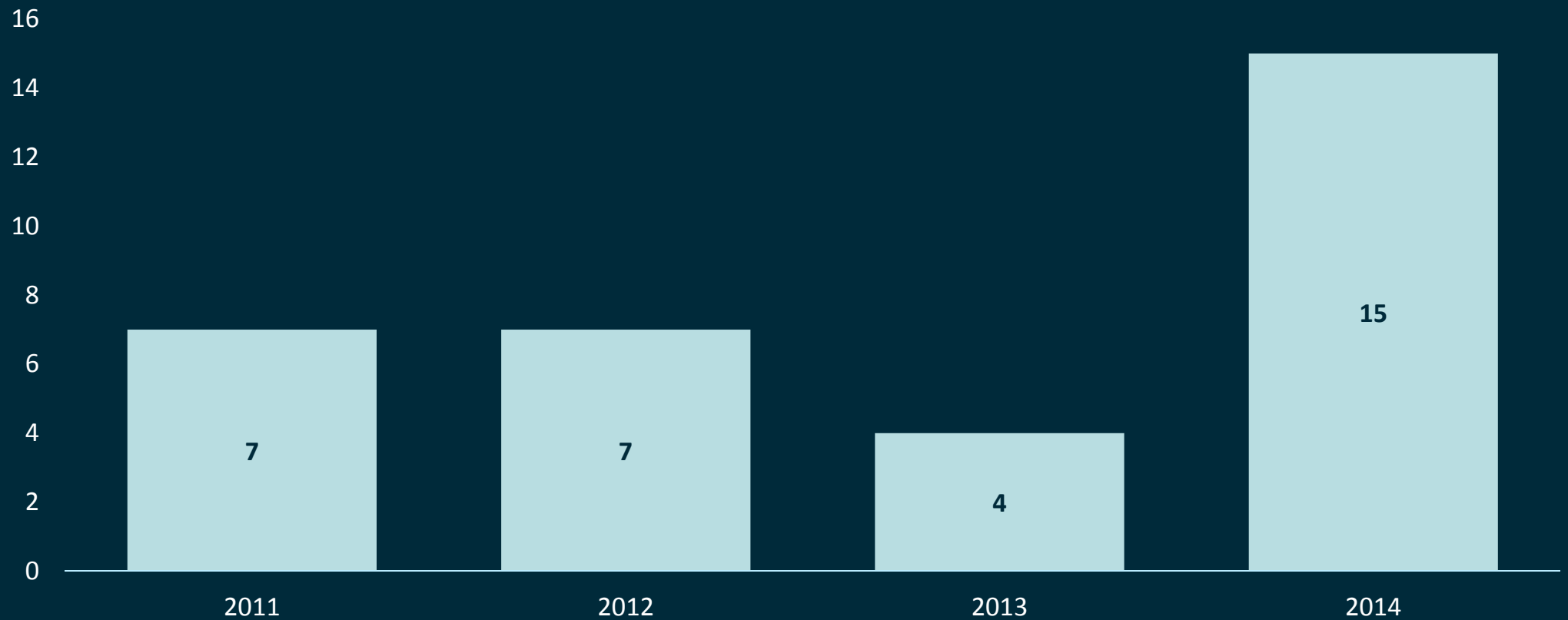
Improvements to commercial model

Sales organisation strengthened and tailored to meet exploration needs



- Sales force located close to NOCs
- Geographic deployment of sales force:
 - Houston
 - Oslo
 - Kuala Lumpur
 - Mexico
 - Brazil
 - India

Positive development in new customers.



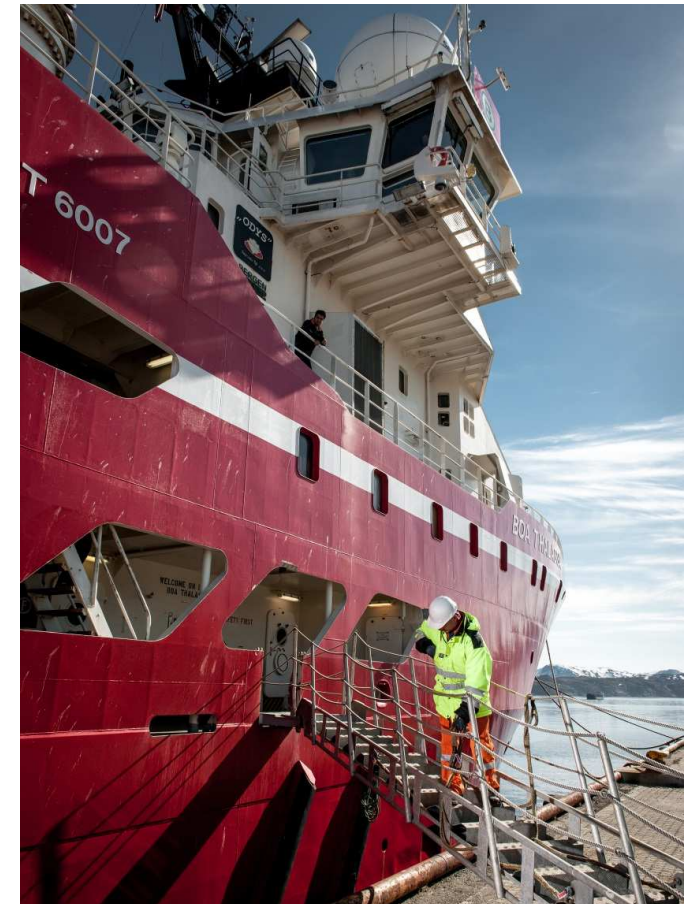


Fourth quarter overview

Spot the difference.

Operational highlights fourth quarter 2014

- Contracts for BOA Thalassa in Malaysia, Thailand and Myanmar
- Large contract with BG Group for EM Leader in Uruguay
- First sale from multi-client library in Foz do Amazonas in Brazil
- Record-high multi-client sales from the Barents Sea library
- Commenced new 3D EM multi-client campaign and expanded partnership with TGS in Barents Sea
- New and improved charter agreement for EM Leader



Financial highlights

Key figures Q4

- Revenues of USD 52.5 million
- EBITDA of USD 18.6 million
- Net income of USD 15.1 million

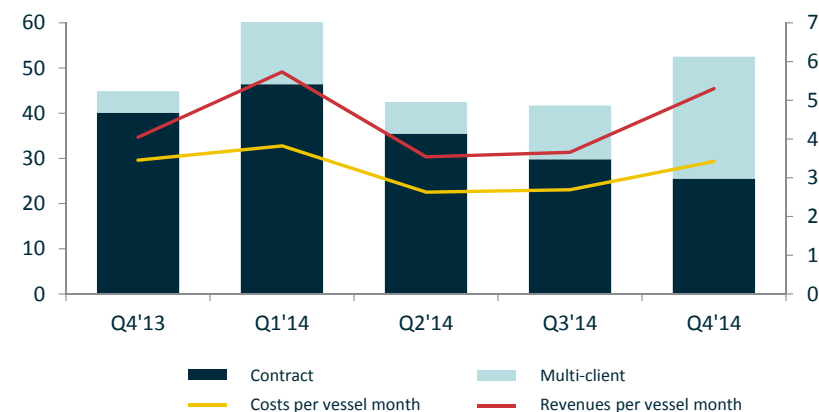
Cost flexibility

- Cost control
- Option to reduce fleet by 25%

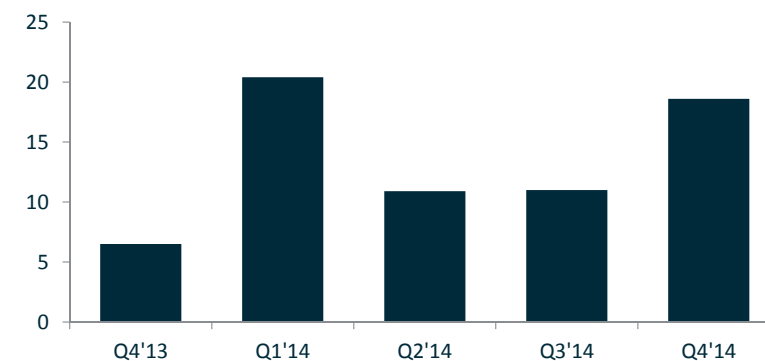
Key figures 2014

- Revenues of USD 198.0 million
- EBITDA of USD 61.0 million
- Net income of USD 27.9 million

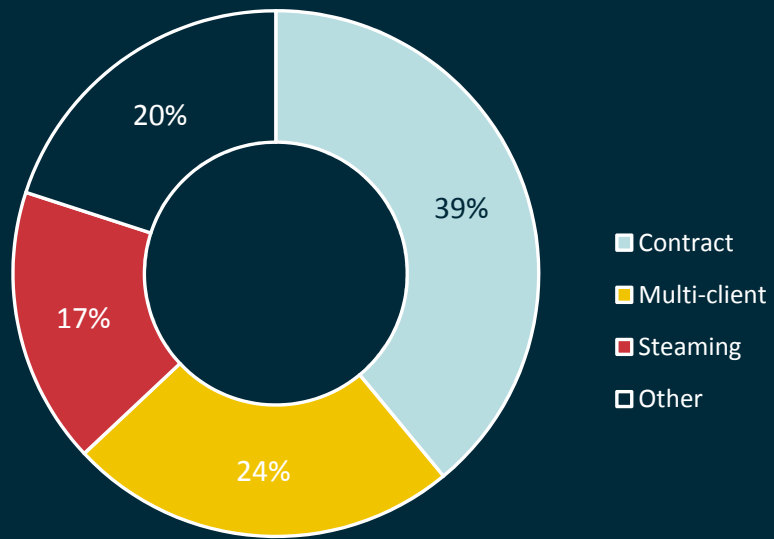
Revenues and revenues/costs per vessel month (USD Million)



EBITDA (USD Million)



Vessel utilisation Q4



63%

Fleet utilisation

Contract: 39%
Multi-client: 24%
Steaming: 17%



43%
BOA Thalassa



73%
BOA Galatea



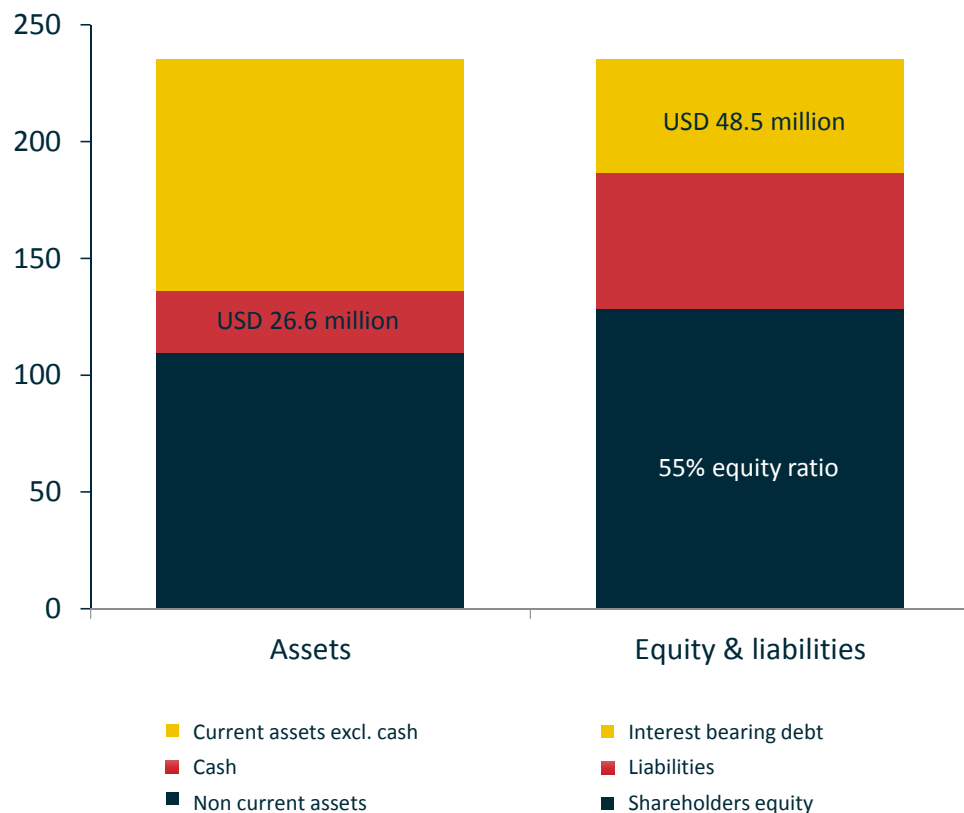
57%
Atlantic Guardian



74%
EM Leader

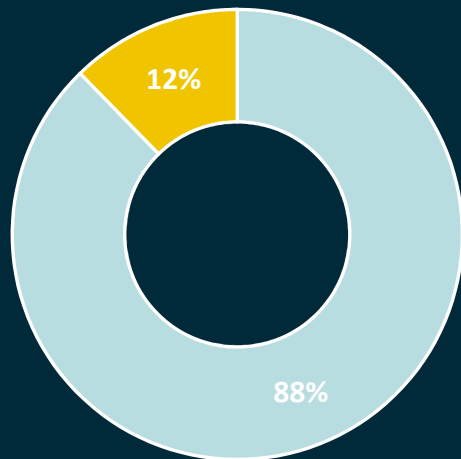
Capital Structure

Balance sheet as at 31.12.14 (USD million)



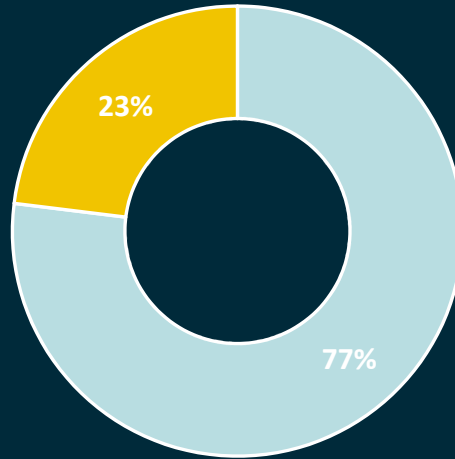
- Cash at USD 26.6 million, down from USD 42.5 million end of previous quarter
 - Trade receivables increased by USD 24.1 million to USD 65.5 million
 - Trade payables decreased by USD 1.2 million to USD 13.4 million
- Bond loan affected by weakening of NOK
 - Reduced by USD 6.6 million Q4, booked as financial income
- Financing strengthened
 - Signed term-sheet for revolving credit facility USD 10 million

Multi-client increasingly important part of business



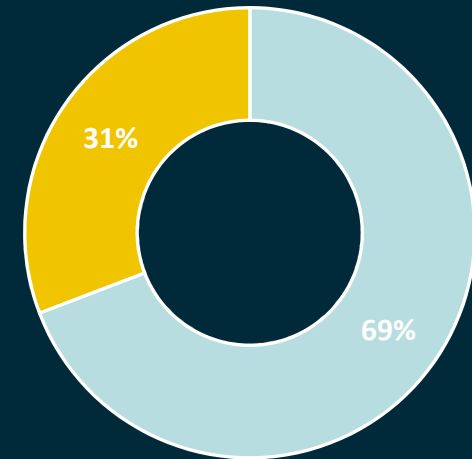
2012: USD 201 million

Contract: USD 176 million
Multi-client: USD 25 million



2013: USD 145 million

Contract: USD 111 million
Multi-client: USD 33 million

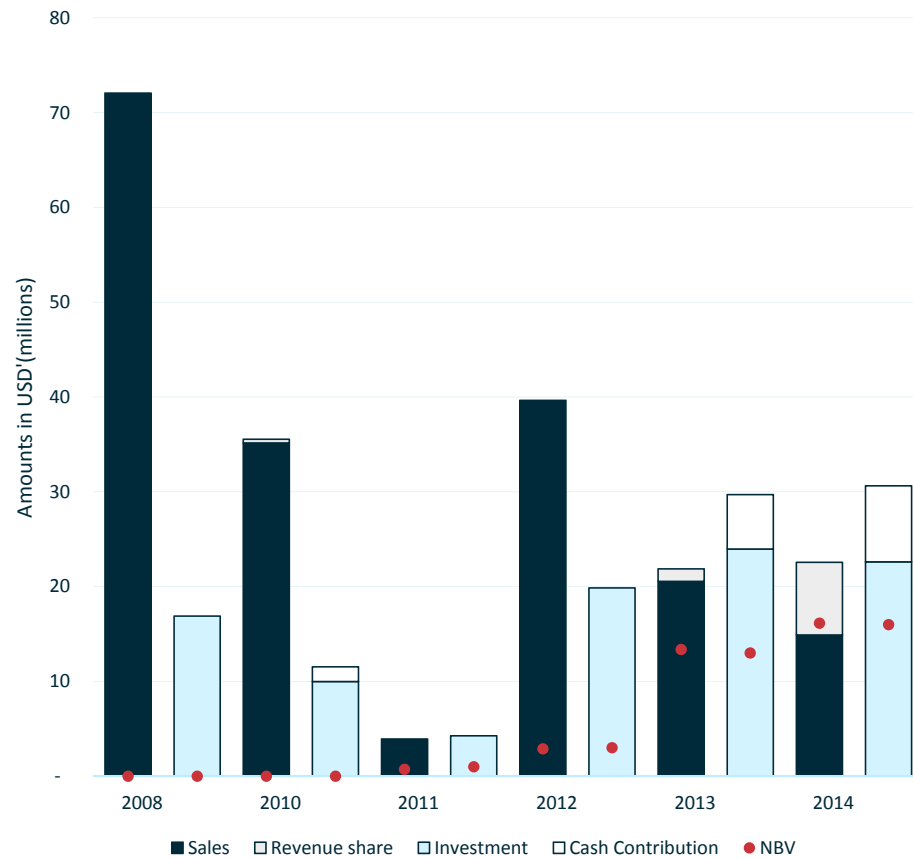


2014: USD 198 million

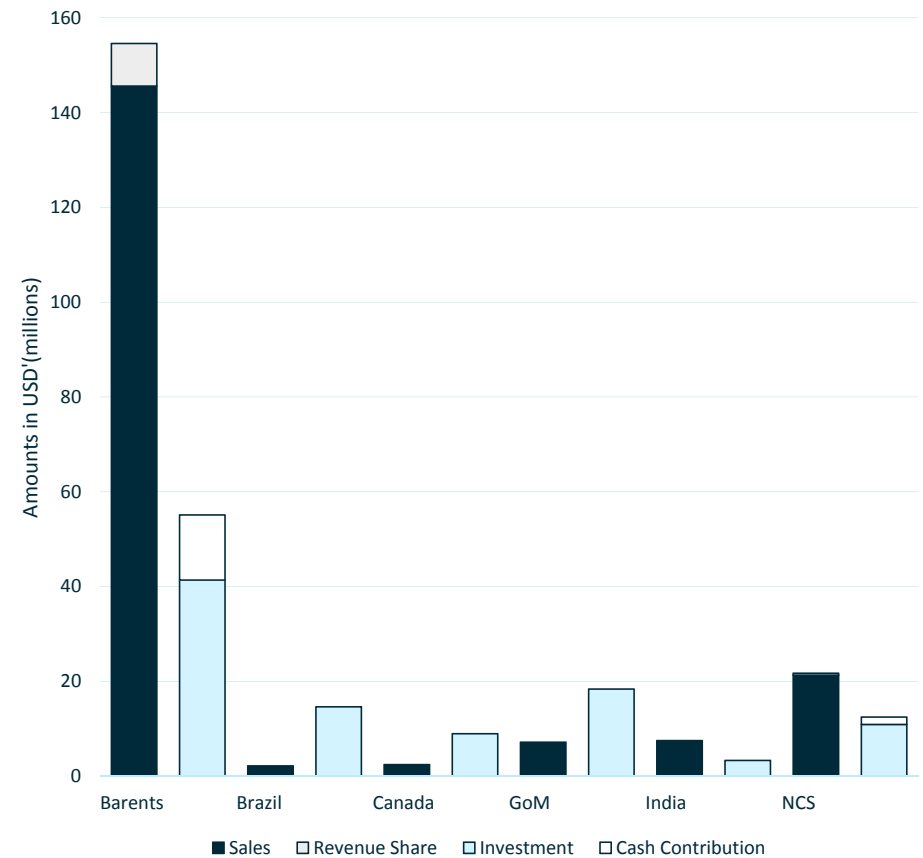
Contract: USD 137 million
Multi-client: USD 60 million

Profitable multi-client investments

Multi-client key figures by vintage



Multi-client key figures by region

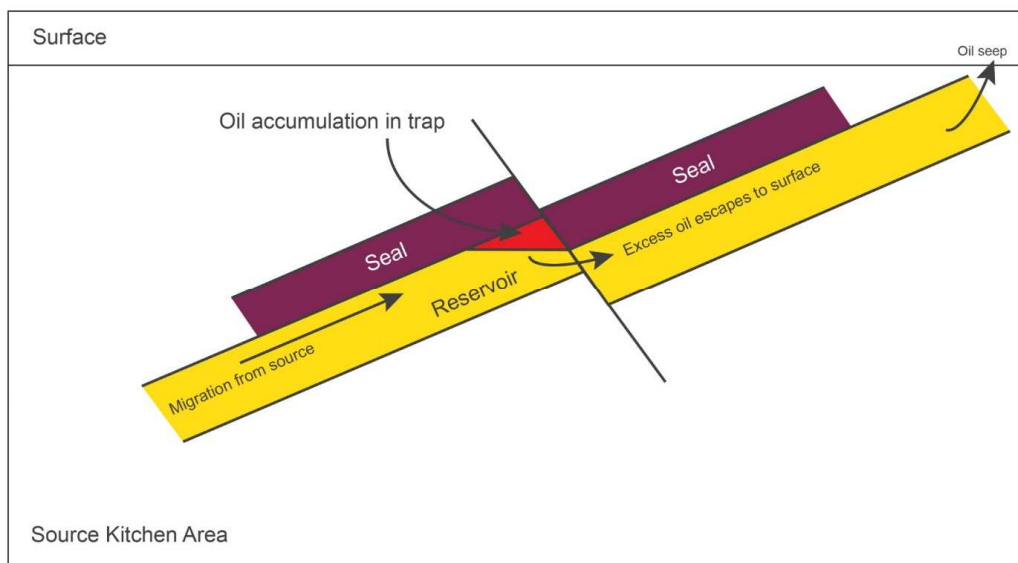




Market and outlook

Spot the difference.

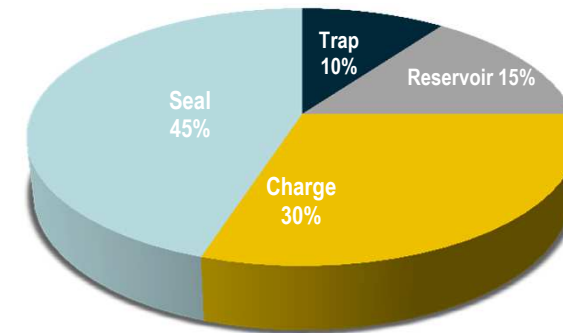
How to increase the discovery rate



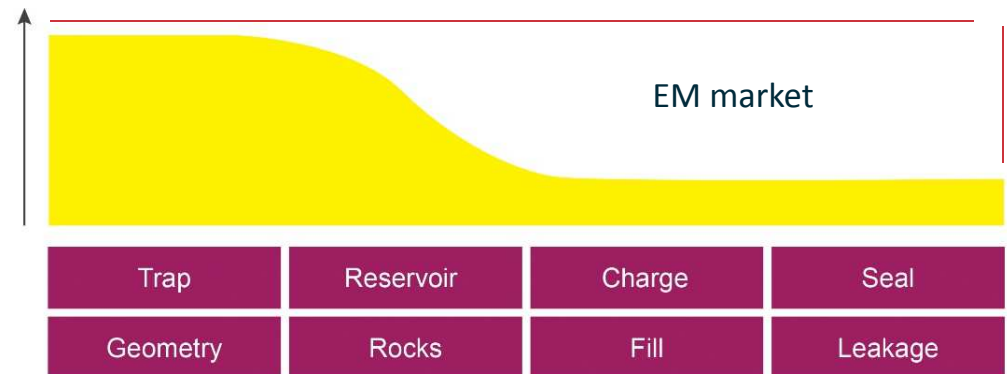
	Geology and seismic data	Electromagnetic data
Reservoir	✓	
Trap	✓	
Seal		✓
Charge	✓	✓
Commercial volume	✓	✓
	USD 32bn /4 years	USD 0.7 bn / 4 years

Why do we fail in finding hydrocarbons?

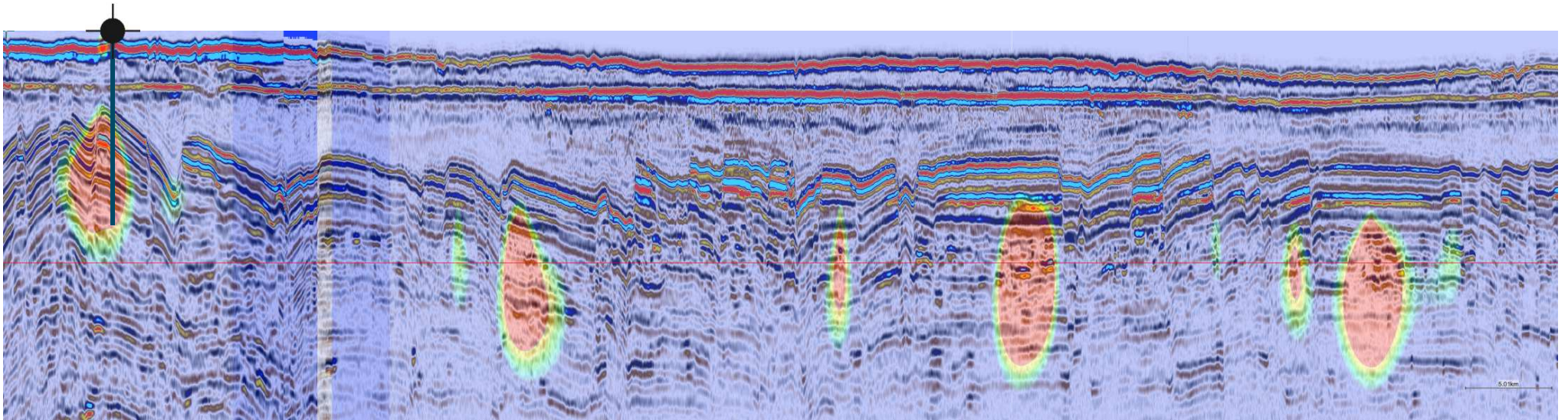
- Low discovery rate today
 - 8/9 of 10 exploration wells fail to find commercial levels of hydrocarbons
- Two main reasons for failure
 - Lack of seal: 45%
 - Lack of charge: 30%
- Why?
 - Lack of technology/ measurements to provide information about the seal & charge



Time & money spent



How seismic and EM data complements



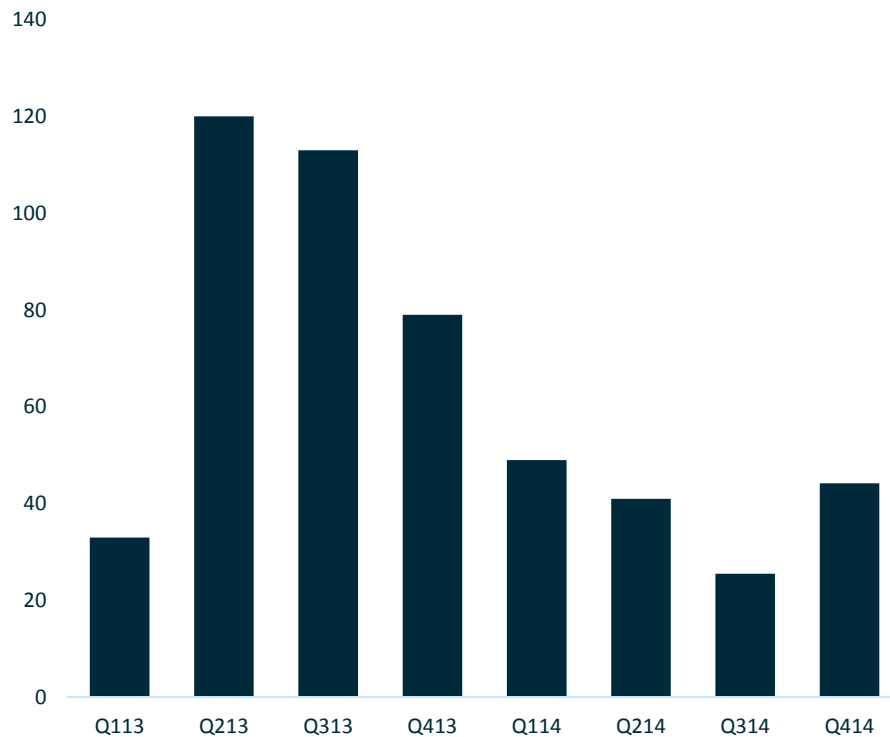
Arbitrary seismic profile from Wisting and the surrounding area

EMGS prioritised multi-client basins going forward



Market update

Order book (USD million)



Contract opportunities

- Expect to keep one vessel in Asia and one in South-Atlantic in 2015
- Opening up of Mexican shelf expected to increase activity
- Continue to have a strategic focus on national oil companies (NOCs)
- Selected IOCs targeted and important for adoption

Multi-client projects

- Continue to invest in key multi-client libraries
- MC projects increase visibility in vessel schedule
- Expand collaboration with seismic companies

Summary

- Strong financial positioned and well positioned to meet a challenging business environment, but also act on opportunities
- EMGS products well positioned to help oil companies manage through cycle, cut cost and increase efficiency of E&P
- Multi-client important part of the business model
- Success criteria for 2015
 - Continue to develop relationship with the NOCs
 - Add new IOCs to the customer portfolio
 - Participate in the opening of the Mexican market
 - Open new basins for multi-client
 - Sale of integrated products – 3D EM and seismic





Questions?

Spot the difference.

SPOT THE DIFFERENCE.

Appendix

Income statement

USD million

	Quarter ending		Full year ending	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Contract sales	25.5	40.1	137.2	111.3
Multi-client sales	27.0	4.8	60.8	33.3
Total revenues	52.5	44.9	198.0	144.6
Charter hire, fuel and crew expenses	15.8	20.3	61.3	51.2
Employee expenses	12.7	12.9	55.2	54.3
Other operating expenses	5.4	5.1	20.5	21.5
EBITDA	18.6	6.5	61.0	17.5
Depreciation and ordinary amortisation	3.9	4.3	16.3	17.5
Multi-client amortisation and impairment	5.0	1.1	14.6	12.3
EBIT	9.7	1.1	30.1	(12.3)
Net financial items	5.4	0.3	3.1	(0.9)
Profit /(loss) before tax	15.2	1.4	33.2	(13.2)
Income tax expense	0.1	0.1	5.3	1.9
Net profit /(loss)	15.1	1.3	27.9	(15.1)

Financial position

USD million	Period ending	
ASSETS	31.12.2014	31.12.2013
Goodwill	14.4	14.4
Deferred tax asset	3.0	3.2
Multi-client library	33.8	28.1
Other intangible assets	3.2	3.4
Property, plant and equipment	19.2	27.7
Assets under construction	31.2	19.2
Financial assets	4.8	-
Total non-current assets	109.6	96.0
Trade receivables	65.5	31.5
Other current assets	33.6	30.1
Cash and cash equivalents	25.2	55.3
Restricted cash	1.4	1.2
Total current assets	125.7	118.2
TOTAL ASSETS	235.3	214.2
EQUITY AND LIABILITIES		
Total equity	128.2	102.2
Total non-current liabilities	60.2	67.3
Trade payables	13.4	15.9
Current tax liability	4.6	2.3
Other short term liabilities	27.3	26.3
Borrowings	1.7	0.1
Total current liabilities	46.9	44.7
TOTAL EQUITY AND LIABILITIES	235.3	214.2

Cash flow

USD million

	Full year ending	
	31.12.2014	31.12.2013
Net cash flow from operating activities	31.7	51.9
Net cash flow from investing activities	(59.5)	(45.3)
Net cash flow from financial activities	(2.3)	9.5
Net increase/(decrease) in cash	(30.1)	16.0

Largest shareholders (as of 4 February)

	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC	22 926 866	11.48 %
2	PERESTROIKA AS	17 889 449	9.46 %
3	Morgan Stanley & Co	18 576 200	9.30 %
4	ODIN OFFSHORE	9 651 299	4.83 %
5	VERDIPAPIRFONDET DNB	7 724 114	3.87 %
6	ODIN NORGE	7 272 410	3.64 %
7	CLEARSTREAM BANKING	5 424 645	2.72 %
8	SKAGEN VEKST	5 029 207	2.52 %
9	VERDIPAPIRFONDET DNB	4 916 670	2.46 %
10	STATOIL PENSJON C/O JP MORGAN CHASE	4 539 841	2.27 %
11	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	2 823 355	1.41 %
12	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	2 742 769	1.37 %
13	J.P. Morgan Chase Ba SPECIAL TREATY LEND	2 672 385	1.34 %
14	SUNDT AS	2 426 833	1.21 %
15	SYDBANK A/S S/A SYDINVEST	2 037 162	1.02 %

Vessel charters and yard stays

	BOA Thalassa 	BOA Galatea 	Atlantic Guardian 	EM Leader 
Firm Charter	December 2015	July 2016	1 March 2016	8 December 2016
Options		1 x 1 year	3 x 1 year	2 x 1 year
Vessel owner	BOA Offshore	BOA Offshore	North Sea Shipping	Seatrans

Electromagnetics in the E&P workflow

