

**CALL FOR ANNUAL GENERAL MEETING**  
**ELECTROMAGNETIC GEOSERVICES ASA**

To the shareholders of Electromagnetic Geoservices ASA:

Notice is hereby given of the 2011 Annual General Meeting of Electromagnetic Geoservices ASA (the "Company") in the Company's offices at the 7<sup>th</sup> floor of Klingenberggaten 5, 0125 Oslo to be held on

**22 June, 2011 at 15:00**

The Board of Directors of the Company has decided to call the Annual General Meeting to vote on the matters described below:

**The Annual General Meeting will be opened by the Chairman of the Board of Directors and according to the Company's Articles of Association § 11, the Chairman shall also chair the General Meeting.**

**1 Election of one person to countersign the minutes**

It is proposed that one person be elected among those present at the Annual General Meeting to countersign the minutes.

**2 Approval of the notice and agenda**

**3 Approval of the 2010 Annual Accounts and 2010 Director's Report**

The EMGS Annual Report 2010, which includes the 2010 Annual Accounts and 2010 Director's Report can be downloaded from our website, [www.emgs.com](http://www.emgs.com), under the Investors section. A hard copy of the Annual Report 2010 can be sent to shareholders on request via our switchboard, telephone +47 73 56 88 10 or email to [switchboard@emgs.com](mailto:switchboard@emgs.com).

The Board recommends that the Annual General Meeting passes the following resolution:

*The Annual Accounts and Director's Report for 2010 are approved.*

#### **4 Statement on the fixing of salaries and other remuneration for leading personnel**

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Directors has issued a statement with respect to the principles for remuneration for senior executives of the Company. The statement is included in the EMGS Annual Report 2010, which can be downloaded from our website, [www.emgs.com](http://www.emgs.com), under the Investors section. A hard copy of the Annual Report 2010 can be sent to shareholders on request via our switchboard, telephone +47 73 56 88 10 or email to [switchboard@emgs.com](mailto:switchboard@emgs.com).

Proposed resolution:

*The Board statement pursuant to section 6-16a of the Norwegian Public Limited Liability Companies Act is approved.*

#### **5 Board authorization to issue new shares**

At the Annual General Meeting of the Company held 2 June 2010, the Board of Directors was authorized to issue new shares. The Board of Directors proposes to substantially renew the authorization granted in 2010, but to increase the maximum amount of the authorization to reflect the Company's increased share capital. To be in compliance with the principles of corporate governance, the Board of Directors further proposes to continue to split the authorization in two, resulting in a general authorization and one authorization solely linked to the issuance of new shares in connection with the Company's share option programme.

The Board of Directors is of the opinion that the general authorization is necessary to provide flexibility in terms of potential acquisitions and other corporate transactions and settlements thereof, and therefore, is in the best interest of the Company. It is further proposed to authorize the Board of Directors to waive existing shareholders' preferential rights in order to allow the possibility for new shareholders subscribing shares.

##### **5.1 General authorization**

Based on the above, the Board recommends that the Annual General Meeting passes the following resolution:

*The Board is given the authority to increase the share capital by up to NOK 23,447,811.50, through one or more subscriptions, equal to an issuance of up to 93,791,246 new shares each with a par value of NOK 0.25. The Board is further authorized to determine the price and terms of such offerings and subscriptions, including but not limited to,*

*whether in the Norwegian and/or the international markets, whether private or public and whether or not underwritten.*

*The existing shareholders' right of first refusal to subscribe new shares may be set aside.*

*The new shares will entitle the holders to dividend and carry other rights in the Company from the time that the increase in share capital is registered with the Norwegian Register of Business Enterprises.*

*The new shares shall be ordinary shares with the same characteristics as the ordinary shares already issued by the Company.*

*The authorization includes a resolution to merge and to increase the share capital against contributions in assets other than cash. The authorization shall be utilized in connection with potential acquisitions of companies or businesses within the oil and energy sector, including the oil service sector, and/or to finance general corporate purposes.*

*The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until 30 June 2012.*

## **5.2 Authorization for exercise of options**

Based on the above, the Board recommends that the Annual General Meeting passes the following resolution:

*The Board is given the authority to increase the share capital by up to NOK 1,875,000 equal to an issuance of up to 7,500,000 new shares each with a par value of NOK 0.25.*

*The existing shareholders' right of first refusal to subscribe new shares may be set aside.*

*This authorization shall be utilized for fulfilling the Company's obligations towards holders of options, should such options be exercised.*

*The new shares will entitle the holders to dividend and carry other rights in the Company from the time that the increase in share capital is registered with the Norwegian Register of Business Enterprises.*

*The new shares shall be ordinary shares with the same characteristics as the ordinary shares already issued by the Company.*

*The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until 30 June 2012.*

### **5.3 Withdrawal of existing authorisations to issue shares**

In total, the above authorizations represent approximately 50 % of the Company's existing share capital. In accordance with section 10-14 (3) of the Norwegian Public Limited Liability Companies Act, any existing authorizations registered by the Norwegian Register of Business Enterprises will be considered revoked with effect from the time of registration of the authorizations to issue new shares resolved at the Annual General Meeting in 2011.

## **6 Authorization to acquire own shares**

In last year's Annual General Meeting the Board was granted a power of attorney, authorizing the Board to acquire the Company's own shares.

The Board proposes to the Annual General Meeting that the Board is granted a new power of attorney which substantially replaces the current authorization and which will be valid for one year, authorizing the Board to acquire the Company's own shares. The purpose of any share repurchases is inter alia to allow for a more optimal capital structure for the Company. Further, treasury shares will give the Company flexibility in terms of satisfying employee share incentive plans and to fund possible acquisitions and other possible corporate transactions by the Company.

Any existing authorization registered by the Norwegian Register of Business Enterprises will be considered revoked with effect from the time of registration of the authorization resolved at the Annual General Meeting in 2011.

Proposed resolution:

*The Board is authorized to acquire shares in the Company. The shares are to be acquired at market terms on a regulated market where the shares are traded, or from employees in accordance with any contractual obligations and entitlements for the Company. The shares are to be disposed of either as part of satisfying existing or future employee incentive schemes, as part of consideration payable for acquisitions made by the Company, as part of consideration for any mergers, demergers or acquisitions involving the Company, financing of general corporate purposes, by way of cancellation of the shares in part or full, or to raise funds for specific investments.*

*The maximum par value which can be acquired is NOK 10,000,000. The minimum amount which may be paid for each share acquired*

*pursuant to this power of attorney is NOK 0.25, and the maximum amount is NOK 50.*

*The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid for a period of one year from its effective date.*

## **7 Board compensation**

Principles for Board compensation were resolved by an Extraordinary General Meeting in the Company held 27 November 2007. The Board proposes that compensation is paid to the shareholder elected Directors in accordance with the abovementioned principles. The Board's proposal regarding compensation is attached hereto as Appendix 5.

Proposed resolution:

*The Annual General Meeting approves the compensation for the shareholder elected Directors, as suggested in Appendix 3 of the calling notice.*

## **8 Auditor's fees for 2010**

It is proposed that the Annual Auditor's fees for the Company totalling NOK 1,200,000 (approximately USD 223,000) for 2010 be approved.

Proposed resolution:

*The Annual General Meeting approves the Annual Auditor's fees for 2010.*

## **9 Resolution for two weeks calling notice**

The Board proposes that the General Meeting makes the following resolution for two weeks calling notice for Extraordinary General Meetings, ref. section 8 of the Articles of Association.

Proposed resolution:

*Up to the next Annual General Meeting, the Company can call for Extraordinary General Meetings with two weeks notice.*

## **10 Election of new Directors of the Board**

The service period for the current Directors is coming to an end and the Annual General Meeting is requested to appoint new shareholder

elected Directors. The principles of corporate governance recommend that Board members of a company should serve for a period not exceeding two years. The Board of the Company does not comply with this recommendation because continuity in the Board composition is believed to be of benefit to the Company. On this background it is proposed that the current shareholder elected Directors be appointed for a new term of two years. Stig Eide Sivertsen was appointed by the Annual General Meeting in 2010. In order to have the same term of service for all shareholder elected Directors, it is proposed that Stig Eide Sivertsen shall – along with the other shareholder elected Directors – be appointed for a term of two years from the Annual General Meeting in 2011.

To be in compliance with the principles of corporate governance, the Board of Directors proposes to cast vote separately for each candidate.

The Board proposes the following elected as shareholder appointed Directors:

- Item 10.1: Bjarte Bruheim – Chairperson
- Item 10.2: Stig Eide Sivertsen – Director
- Item 10.3: Jeffrey Alan Harris – Director
- Item 10.4: Berit Svendsen – Director
- Item 10.5: Grethe Høiland – Director

In addition, the Board constitutes of the two employee elected representatives Magni Hofstad with deputy Marianne Bjørkhaug and Lodve Berre with deputy Arve Furunes.

## **11 Option scheme**

The Company operates a share option scheme for management and staff to provide a long term incentive (“Employee Option Program”). The Board proposes that the Annual General Meeting approves a maximum number of options which can be granted over a period of three years. The purpose of the proposal is to create a maximum threshold for dilution of the shareholders following from the Employee Option Program. No changes to the terms for grants, vesting or exercise etc. of options are proposed.

The proposal means that during 2011, 2012 and 2013, the Board may grant a maximum of 10,000,000 options under the Employee Option Program. As at 31 December 2010, 7,196,200 options were outstanding. The maximum outstanding options shall not exceed 7.5%, 14,068,687 options, of the registered number of shares in the Company.

Further details are set out in the proposed resolution below.

Proposed resolution:

*During 2011, 2012 and 2013, the Board may grant a maximum of 10,000,000 options in the aggregate under the Employee Option Program. When options are cancelled (e.g. because an employee leaves the Company), such options shall be considered cancelled also in relation to the number of options the Board of Directors is authorized to issue, thereby allowing the Board of Directors to re-issue such options. The maximum outstanding options shall not exceed 7.5%, 14,068,687 options, of the registered number of shares in the Company.*

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At the date of this calling notice, there are 187,582,493 shares outstanding in the Company. As of the date of this calling notice, the Company does not own any treasury shares.

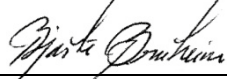
A shareholder has the right to put matters on the agenda of the Annual General Meeting. The matter shall be reported in writing to the Board within 7 days prior to the time limit for the notice to the Annual General Meeting, along with a proposal for draft resolution or an explanation as to why the matter is put on the agenda. In the event that the notice has already taken place, a new notice shall be sent if the time limit for the notice to the Annual General Meeting has not already expired. A shareholder has in addition a right to put forward a proposal for resolution.

At the Company's Annual General Meeting, each share has one vote. A shareholder with shares registered through an approved share manager or custodian pursuant to section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares covered by the share management assignment/custodian arrangement provided that the shareholder within two business days before the Annual General Meeting provides the Company with his name and address and presents confirmation from the share manager that the shareholder is the beneficial owner of the shares that are being managed or held in custody, and provided further that the Board does not disapprove such beneficial ownership after receipt of such notification.

Shareholders who wish to take part in the Annual General Meeting must not later than two business days before the Annual General Meeting, i.e. 20 June 2011 by 09:00 a.m. (Norwegian time) either (i) register by internet at the website: [www.emgs.com](http://www.emgs.com) and the pin code included in the cover letter; (ii) give notice to Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 – Sentrum, 0107 Oslo, Norway or (iii) give written notice to Nordea Bank Norge ASA by fax at + 47 22 48 63 49. A registration form is attached hereto as Appendix 1.

A power of attorney for the shareholders who wish to grant the Chairman of the Board a proxy to represent their shares at the Annual General Meeting is attached hereto as Appendix 2.

**Oslo, 12 May 2011**



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*Bjarte H. Bruheim*  
Chairperson

Attachments:

Appendix 1: *Registration form*

Appendix 2: *Form of Power of attorney*

Appendix 3: *Proposal regarding the Board's compensation*

*The Annual Report for 2010, including the Directors Report and Determination of Salary Statement, can be found at [www.emgs.com](http://www.emgs.com) as a consequence of the Annual General Meeting held in 2010 where it was resolved to distribute these documents electronically.*



**APPENDIX 1**

**REGISTRATION FOR THE ANNUAL GENERAL MEETING IN ELECTROMAGNETIC GEOSERVICES ASA ON 22 JUNE 2011 AT 15:00 THE 7<sup>th</sup> FLOOR OF KLINGENBERGGATEN 5, 0125 OSLO**

Notification of your intention to attend the Annual General Meeting on 22 June 2011 shall be given on this registration form. The form must be received by Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 – Sentrum, 0107 Oslo, Norway not later than two business days before the Annual General Meeting, i.e. 20 June 2011 by 09:00 a.m. (Norwegian time). Notice can also be given to Nordea Bank Norge ASA by fax at + 47 22 48 63 49 or by registration by internet at the website: [www.emgs.com/agm](http://www.emgs.com/agm). Please use the pin code included in the cover letter for the calling notice.

The undersigned will attend the Annual General Meeting of Electromagnetic Geoservices ASA on 22 June 2011 and (tic as appropriate):

Vote my/our \_\_\_\_\_ (please specify the number) shares

Vote \_\_\_\_\_ (please specify the number) shares in accordance with the enclosed power(s) of attorney

Shareholder's name and address:

\_\_\_\_\_  
(in capital letters)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Place

\_\_\_\_\_  
Shareholder's signature

## APPENDIX 2

### **POWER OF ATTORNEY FOR ANNUAL GENERAL MEETING IN ELECTROMAGNETIC GEOSERVICES ASA ON 22 JUNE 2011 AT THE 7<sup>th</sup> FLOOR OF KLINGENBERGGATEN 5, 0125 OSLO**

If you are prevented from attending the Annual General Meeting on 22 June 2011, you may assign a power of attorney. In such event, you may use this power of attorney form. The form must be received by Nordea Bank Norge ASA by 20 June 2011 at 09.00 a.m. Norwegian time:

Nordea Bank Norge ASA  
Issuer Services, P.O. Box 1166 – Sentrum, 0107 Oslo  
Fax at + 47 22 48 63 49  
Email: [issuerservices@nordea.com](mailto:issuerservices@nordea.com)

The undersigned shareholder in Electromagnetic Geoservices ASA hereby assigns (tic as appropriate):

Chairman of the Board Bjarte Bruheim or a person designated by him

\_\_\_\_\_ Name of proxy (in capital letters)

power of attorney to attend the AGM and vote my/our \_\_\_\_\_ (fill in number) shares at the Annual General Meeting of Electromagnetic Geoservices ASA on 22 June 2011. Where the power of attorney is submitted without naming a proxy, the power of attorney will be considered assigned to the Chairman of the Board or a person designated by him.

Voting shall take place in accordance with the instructions below. Please note that in the event a power of attorney is submitted without crossing off any of the boxes, your vote will be considered cast “in favour” of the motions in the notice, yet so that the proxyholder decides how to vote to the extent that other motions are made in addition to or instead of the motions in the notice.

<b>Item:</b>	<b>In favor</b>	<b>Against</b>	<b>Abstention</b>
1. Election of a person to countersign the minutes of meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the notice and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 2010 Annual Accounts and Directors' Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Statement on the fixing of salaries and other remuneration for leading personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Board authorization to issue shares			
5.1 General authorization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Authorization for exercise of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3 Withdrawal of existing authorizations to issue shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Authorization to acquire own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Board compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Auditor's fees for 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Resolution for two weeks calling notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Election of new Directors of the Board			
10.1 Election of Bjarte Bruheim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.2 Election of Stig Eide Sivertsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.3 Election of Jeffrey Alan Harris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.4 Election of Berit Svendsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.5 Election of Grethe Høiland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Option scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Shareholder's name and address (in capital letters):

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Date

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Place

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Shareholder's signature

### APPENDIX 3

#### PROPOSAL REGARDING BOARD COMPENSATION

Reference is made to item 7 to the calling notice dated 12 May 2011. The Board of Directors (the "Board") of Electromagnetic Geoservices ASA (the "Company") proposes that the Annual General Meeting of the Company approves the following compensation for the Board directors:

Bjarte Bruheim	USD 554 000
Jeffrey Harris	USD 0
Christopher Wright	USD 18 333 (*)
Berit Svendsen	USD 30 000
Grethe Høiland	USD 30 000
Stig Eide Sivertsen	USD 21 666 (*)

(\*) Christopher Wright served until the Annual General Meeting in June 2010, when he resigned and Stig Eide Sivertsen was elected.

Berit Svendsen received an additional USD 10 000 for work in the compensation committee in 2010. Christopher Wright received an additional USD 4 583 for the work for the compensation committee until June 2010. Stig Eide Sivertsen received an additional USD 4 583 for his work as chairman of the audit committee from June 2010.

Bjarte Bruheim also served on the audit committee, but does not receive compensation for this. Jeffrey Harris is appointed as board member by the Warburg Pincus funds and according to their internal instructions, he does not receive any compensation for his work for the Company.

The employee representatives do not receive any compensation for their services as board members.

12 May 2011



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Bjarte Bruheim  
Chairman