



Electromagnetic Geoservices ASA
(Incorporated in Norway as a public limited liability company)
Organisation number: 984 195 486
www.emgs.com

This document (the “**Supplemental Prospectus**”) is a supplement to the prospectus dated 19 April 2018 (the “**Prospectus**”) prepared by Electromagnetic Geoservices ASA (the “**Company**” or “**EMGS**”, and, together with its subsidiaries, the “**Group**”) in connection with (i) the partially underwritten Rights Issue of minimum 31,632,654 and maximum 39,540,816 New Shares, each having a nominal value of NOK 1.00, with transferrable subscription rights for Existing Shareholders, at a Subscription Price of NOK 2.45 per New Share, raising minimum NOK 77,500,002 and maximum NOK 96,874,999 in gross proceeds, (ii) the listing of the New shares, (iii) the fully underwritten Bond Issue of 325,000 Convertible Bonds, each having a nominal value of USD 100, with non-transferrable subscription rights for Existing Shareholders, raising USD 32.5 million in gross proceeds, each Convertible Bond being convertible into ordinary shares of the Company at a conversion price of USD 0.42677, corresponding to 135% of the Subscription Price in the Rights Issue, and (iv) the listing of the Convertible Bonds.

Capitalised terms and expressions used but not defined in this Supplemental Prospectus are references to those terms as defined in the Prospectus, unless the context requires otherwise.

This Supplemental Prospectus constitutes a supplement to the Prospectus and the information included herein is to be considered as part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. References in the Prospectus to the “Prospectus” should, unless the context requires otherwise, hereafter be considered as a reference to the Prospectus as supplemented and modified by this Supplemental Prospectus.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law and the further dispute resolution provisions set out in the Prospectus.

Information included in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus.

THE NEW SHARES, THE SUBSCRIPTION RIGHTS AND THE CONVERTIBLE BOND ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). EACH U.S. SHAREHOLDER ON THE RECORD DATE WISHING TO SUBSCRIBE FOR NEW SHARES OR CONVERTIBLE BONDS MUST PROVIDE A LETTER ATTACHED HERETO PROVIDING CERTIFICATION THAT IT IS A PERSON OTHER THAN A U.S. PERSON, AS THAT TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. ONLY U.S. SHAREHOLDERS ON THE RECORD DATE WHO HAVE COMPLETED AND RETURNED THE CERTIFICATION ARE AUTHORISED TO PARTICIPATE IN THE RIGHTS ISSUE AND THE CONVERTIBLE BOND ISSUE. THE NEW SHARES AND CONVERTIBLE BONDS WILL NOT BE TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER SECTION Error! Reference source not found. “SELLING AND TRANSFER RESTRICTIONS”. BY ACCEPTING THIS SUPPLEMENTAL PROSPECTUS, YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS.

THE DISTRIBUTION OF THIS SUPPLEMENTAL PROSPECTUS IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS SUPPLEMENTAL PROSPECTUS COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS SUPPLEMENTAL PROSPECTUS, YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS.

SEE “RISK FACTORS” IN SECTION 2 OF THE PROSPECTUS FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE NEW SHARES AND THE CONVERTIBLE BONDS.

3 May 2018

Important information

This Supplemental Prospectus is a supplement to the Prospectus published by the Company in connection with (i) the Rights Issue, (ii) the listing on the New Shares issued under the Rights Issue, (iii) the Convertible Bond Issue, and (iv) the listing of the Convertible Bonds issued under the Convertible Bond Issue. The Supplemental Prospectus contains information relevant to the Rights Issue and the Convertible Bond Issue.

For the definitions and capitalised terms used throughout this Supplemental Prospectus and not defined herein, see Section 19 of the Prospectus, *Definitions of glossary and terms*, which also applies to the prevailing pages of this Supplemental Prospectus.

The Company has furnished the information in this Supplemental Prospectus. This Supplemental Prospectus has been prepared to comply with the Norwegian Securities Trading Act and the Norwegian Regulation on Contents of Prospectuses, which implements the Prospectus Directive (EC/2003/71), including the Commission Regulation EC/809/2004, in Norwegian law. The Norwegian Financial Supervisory Authority has reviewed and approved (approval date: 2 May 2018) this Supplemental Prospectus in accordance with the Norwegian Securities Trading Act sections 7-7 and 7-8, cf. 7-15. The Norwegian Financial Supervisory Authority has, however, not controlled or approved the accuracy or completeness of the information given in this Supplemental Prospectus. The approval given by the Norwegian Financial Supervisory Authority only relates to the Company's descriptions pursuant to a pre-defined checklist of requirements. The Norwegian Financial Supervisory Authority has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Supplemental Prospectus. This Supplemental Prospectus has been published in an English version only.

Applicants that have applied for New Shares in the Rights Issue and / or Convertible Bonds in the Convertible Bond Issue before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) the Norwegian Securities Trading Act (prior to 09:30 hours (CET) on 7 May 2018). Such withdrawal is made by contacting DNB Registrar Department. Applicants that have applied for New Shares in the Rights Issue and / or Convertible Bonds in the Bond Issue before the publication of this Supplemental Prospectus and that have not used the right to withdraw their subscription(s) within the deadline, will be regarded as having accepted the revised terms of the Rights Issue and the Convertible Bond Issue and hence will not need to submit a new subscription form(s). Please also refer to Section 3 "Right to withdraw subscriptions" of this Supplemental Prospectus for further details.

All inquiries relating to this Supplemental Prospectus should be directed to the Company. No other person is authorised to give any information about, or make any representation on behalf of, the Company in connection with the Rights Issue, the Convertible Bonds Issue and the Listing, and, if given or made, such other information or representation must not be relied upon as having been authorised by the Company.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Supplemental Prospectus. Any new material information and any material inaccuracy that might influence the assessment of the New Shares or the Convertible Bonds arising after the publication of this Supplemental Prospectus and before the completion of the Rights Issue, the Convertible Bond Issue and the Listing, will be published and announced promptly as a supplement to the Prospectus in accordance with section 7-15 of the Norwegian Securities Trading Act. Neither the delivery of this Supplemental Prospectus nor the completion of the Rights Issue, the Convertible Bonds Issue or the Listing at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's or its subsidiaries' affairs since the date hereof or that the information set forth in this Supplemental Prospectus and / or the Prospectus is correct as of any time since its date.

The distribution of this Supplemental Prospectus and the offering of securities may in certain jurisdictions be restricted by law. Persons in possession of this Supplemental Prospectus are required to inform themselves about and to observe any such restrictions. This Supplemental Prospectus does not constitute an offer of, or a solicitation of an offer to purchase, any securities in any jurisdiction or in any circumstances in which such offer or solicitation would be unlawful. No one has taken any action that would permit a public offering of the Company's securities to occur outside of Norway. The Company does not accept any legal responsibility for any violation by any person of any such restrictions. Further details regarding registration, or lack thereof, of the Company's Shares in jurisdiction other than Norway and the legality of distributing the Prospectus and this Supplemental prospectus to investors in, and residents of, jurisdictions other than Norway are provided in the Prospectus, which shall be considered as repeated in full here.

The Company's existing shares have not been and will not be, and the New Shares and the Subscription Rights, and the Convertible Bonds, will not be, registered under the Securities Act, or with any securities authority of any state of the United States. Prospective investors are hereby notified that the Subscription Rights, and New Shares and the Convertible Bonds are only being offered and sold outside the United States in compliance with Regulation S of the Securities Act. Except in certain circumstances specified in this Prospectus, the Subscription Rights, the New Shares and the Convertible Bonds may not be offered or sold in or into Canada, Japan or Australia or any other jurisdiction where such offer or sale will require specific registration or be unlawful.

The contents of this Prospectus shall not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

Without limiting the manner in which the Company may choose to make any public announcements, and subject to the Company's obligations under applicable law, announcements relating to the matters described in this Supplemental Prospectus will be considered to have been made once they have been distributed through Oslo Børs' information system.

Investing in the Company's Shares and the Convertible Bonds involves risks. See Section 2 "Risk Factors" of the Prospectus.

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1. RESPONSIBILITY STATEMENT

This Supplemental Prospectus has been prepared by Electromagnetic Geoservices ASA in connection with the Rights Issue and the Convertible Bond Issue, and the Listing of the New Shares and the Convertible Bonds.

The Board of Directors of Electromagnetic Geoservices ASA accepts responsibility for the information contained in this Supplemental Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Supplemental Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 3 May 2018

The Board of Directors of Electromagnetic Geoservices ASA

Eystein Eriksrud
Chairman

Adam Robinson
Board Member

Petteri Soininen
Board Member

Anne Øian
Board Member

Johan Kr. Mikkelsen
Board Member

Mimi K. Berdal
Board Member

Marte Karlsen
Board Member

2. SUPPLEMENTAL INFORMATION

2.1 Unaudited consolidated interim financial statements of the Company as at, and for the three month periods ended, 31 March 2018 and 2017

On 3 May 2018, **EMGS** published the unaudited consolidated interim financial statements of the Group as at, and for the three month periods ended, 31 March 2018 and 2017 (the “**Q1 Interim financial Statements**”). The Company deems the Q1 Interim Financial Statements to be of importance to prospective investors when determining whether to invest in the New Shares offered in the Rights Issue and / or the Convertible Bonds offered in the Convertible Bond Issue.

The Q1 Interim Financial Statements are incorporated into this Supplemental Prospectus by reference and is available on http://www.emgs.com/financial_results/. The Q1 Interim Financial Statements are also available at the Company’s offices in Oslo (Karenslyst Allé 4, 4th floor, 0278 Oslo, Norway) and Trondheim (Stiklestadveien 1, 3rd floor, 7041 Trondheim, Norway) during normal business hours.

The information included in the Q1 Interim Financial Statements is in particular relevant to the information included in Section 11 "Historical Financial Information" of the Prospectus.

When reading the Q1 Interim Financial Statements, investors should note that in the preparation of the Q1 Interim Financial Statements, **EMGS’** applied, for the first time, *IFRS 15 Revenue from Contracts with Customers* (the “**IFRS 15**”). The implementation was done using a full retrospective method (which requires a restatement of the previous financials). The implementation of IFRS 15 in the Q1 Interim Financial Statements affects financial reporting only; meaning there is no cash effect as a result of the implementation. The changes to the financial reporting primarily affects financial reporting related to multi-client prefunding revenues, and it does not have a material impact on the reporting of revenues from contract sales and late sales. For further information, please refer to the Q1 Interim Financial Statements, and in particular the note *Accounting principles - IFRS 15 Revenue from contract with customers and Definitions – Alternative Performance Measures, Pre-funding revenues using POC principle*.

2.2 Subscriptions in the Rights Issue and the Convertible Bond Issue by major existing shareholders and members of the Company's management, supervisory and administrative bodies

2.2.1 Subscriptions for New Shares in the Rights Issue

At the date of this Supplemental Prospectus, the following major shareholders, members of **EMGS’** Board of Directors and members of **EMGS’** executive management have subscribed for New Shares in the Rights Issue:

- On 20 April 2018, Perestroika AS, a major shareholder of the Company and an Underwriter, subscribed for 8,891,948 New Shares in the Rights Issue.
- On 20 April 2018, Siem Investments Inc., a major shareholder of the Company and an Underwriter, subscribed for 9,458,017 New Shares in the Rights Issue.

- On 23 April 2018, Laburnum AS, an entity wholly owned and controlled by Eystein Eriksrud, Chairman of the Board of Directors of the Company, subscribed (including oversubscription) for 150,000 New Shares in the Rights Issue.
- On 23 April 2018, MKB Invest AS, an entity wholly owned and controlled by Mimi K. Berdal, member of the Board of Directors of the Company, subscribed (including oversubscription) for 30,000 New Shares in the Rights Issue.
- On 2 May 2018, Christiaan Vermeijden (CEO) subscribed for 40,000 New Shares in the Rights Issue.
- On 2 May 2018, Hege Veiseth (CFO) subscribed for 13,000 New Shares in the Rights Issue.
- On 2 May 2018, Øyvind Greaker Bjørndal (CLC) subscribed for 11,000 New Shares in the Rights Issue.
- On 2 May 2018, Dag Helland-Hansen (Global Exploration Advisor) subscribed for 40,000 New Shares in the Rights Issue.
- On 2 May 2018, Johan Kr Mikkelsen, member of the Board of Directors of the Company, subscribed (including oversubscription) for 30,000 New Shares in the Rights Issue.

The information in this Section 2.2.1 “Subscriptions for New Shares in the Rights Issue” of the Supplemental Prospectus is relevant to the information included in Section 5.4 “Participation of major existing shareholders and members of the Company’s management, supervisory and administrative bodies in the Rights Issue” cf. Section 5.3 “The Underwriting and the Underwriting Syndicate” of the Prospectus.

2.2.2 Subscriptions for Convertible Bonds in the Convertible Bond Issue

At the date of this Supplemental Prospectus, the following major shareholders, members of **EMGS’** Board of Directors and members of **EMGS’** executive management have subscribed for Convertible Bonds in the Convertible Bond Issue:

- On 20 April 2018, Perestroika AS, a major shareholder of the Company and an Underwriter, subscribed for 73,100 Convertible Bonds in the Convertible Bond Issue, which corresponds to an aggregate subscription in the Convertible Bond Issue of USD 7,310,000.
- On 20 April 2018, Siem Investments Inc., a major shareholder of the Company and an Underwriter, subscribed for 77,740 Convertible Bonds in the Convertible Bond Issue, which corresponds to an aggregate subscription in the Convertible Bond Issue of USD 7,774,000.
- On 23 April 2018, Laburnum AS, an entity wholly owned and controlled by Eystein Eriksrud, Chairman of the Board of Directors of the Company, subscribed for 200 Convertible Bonds in the Convertible Bond Issue, which corresponds to an aggregate subscription in the Convertible Bond Issue of USD 20,000.
- On 23 April 2018, MKB Invest AS, an entity wholly owned and controlled by Mimi K. Berdal, member of the Board of Directors of the Company, subscribed for 100 Convertible Bonds in the Convertible Bond Issue, which corresponds to an aggregate subscription in the Convertible Bond Issue of USD 10,000.

The information in this Section 2.2.2 “Subscriptions for Convertible Bonds in the Convertible Bond Issue” of the Supplemental Prospectus is relevant to the information included in Section 6.5 “Participation of major existing

shareholders and members of the Company's management, supervisory and administrative bodies in the Convertible Bond Issue" cf. Section 5.3 "The Underwriting and the Underwriting Syndicate" of the Prospectus.

2.3 Exercise of call option under the Existing Bond Issue

On 20 April 2018, **EMGS** exercised a call option under the terms of the Existing Bond Issue to call, in full, the Existing Bond Issue.

In accordance with the terms of the Existing Bond Issue, and the Company's exercise notification to the Bond Trustee, the Existing Bond Issue will be repaid in full by the Company at 103% of par value (plus accrued interest) on 7 June 2018.

The information in this Section 2.3 "Exercise of call option under the Existing Bond Issue" of the Supplemental Prospectus is in particular relevant to the information included in Section 11.7.1 "NOK 246 million bond (the Existing Bond Issue)" of the Prospectus.

3. RIGHT TO WITHDRAW SUBSCRIPTIONS

Applicants that have applied for New Shares in the Rights Issue and / or Convertible Bonds in the Convertible Bond Issue before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) the Norwegian Securities Trading Act (prior to 09:30 hours (CET) on 7 May 2018). The right to withdraw subscriptions is not affected by the expiry of the Subscription Period (12:00 hours (CET) on 4 May 2018).

Such withdrawal is made by contacting DNB Registrar Department.

Applicants that have applied for New Shares in the Rights Issue and / or Convertible Bonds in the Bond Issue before the publication of this Supplemental Prospectus and that have not used the right to withdraw their subscriptions within the deadline, will be regarded as having accepted the revised terms of the Rights Issue and the Convertible Bond Issue. Hence, there is no need to submit a new subscription form(s).

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