



# FIRST QUARTER 2015 RESULTS.

Oslo, 7 May 2015,  
CFO Svein Knudsen

Spot the difference.

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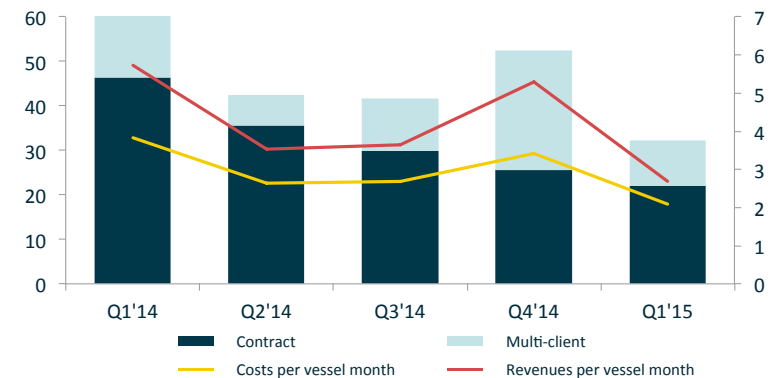
# Overview first quarter 2015

- Experience progress, but delays in contract negotiations
- Norwegian multi-client library continue to perform well
  - 23rd licensing round in Norway, EMGS well positioned
  - APA rounds provide uplift revenues
- EM Leader working for BG Group in Uruguay through the quarter
- Cost reduction measures initiated in Q1

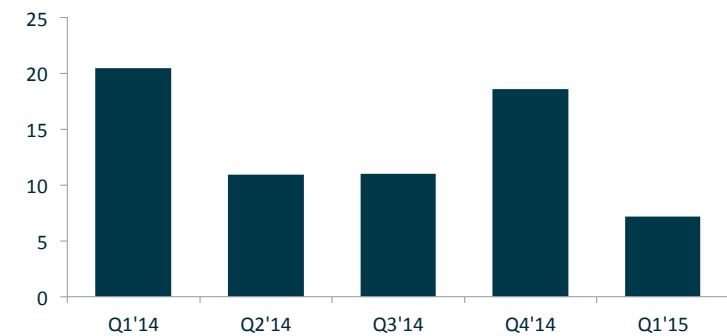
## Key figures Q1

- Revenues of USD 32.3 million
  - Contract revenues of USD 22.1 million
  - Multi-client revenues of USD 10.2 million
- EBITDA of USD 7.2 million
- Net loss of USD 1.2 million

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

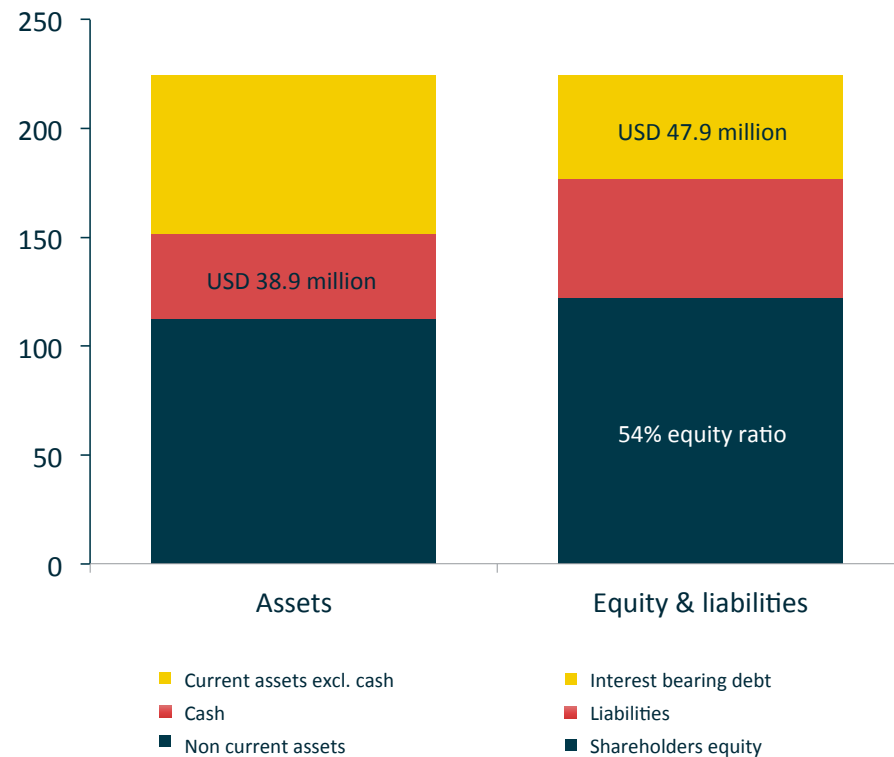


EBITDA (USD Million)



# Capital Structure

Balance sheet as at 31.03.15 (USD million)



- Cash at USD 38.9 million, up from USD 26.6 million end of previous quarter
  - Trade receivables decreased by USD 27.1 million to USD 38.5 million
  - Trade payables decreased by USD 3.9 million to USD 9.4 million
- Financing
  - Forward rate agreement secures book value of bond loan to USD 46 million
  - Secured credit facility of USD 10 million
- Net book value of multi-client library of USD 40.1 million
  - Low amortisation rate due to sales from projects fully amortised
  - Impairment related to Sunshine and Ceara projects of USD 2.9 million
  - MC investments of USD 12.0 million in Q1

# First quarter operational overview

**BOA Galatea**



MC in US Gulf of Mexico



**Atlantic Guardian**




MC in Barents Sea, Norway

**EM Leader**



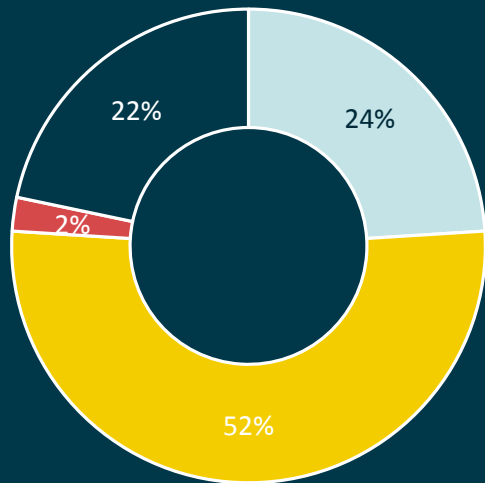
Contract in Uruguay for BG Group

**BOA Thalassa**



MC in Asia

# Vessel utilisation first quarter 2015



- Contract
- Multi-client
- Steaming
- Other

**76%**  
**Fleet utilisation**  
Contract: 24%  
Multi-client: 52%  
Steaming: 2%



**23%**  
**BOA Thalassa**



**88%**  
**BOA Galatea**



**95%**  
**Atlantic Guardian**



**98%**  
**EM Leader**



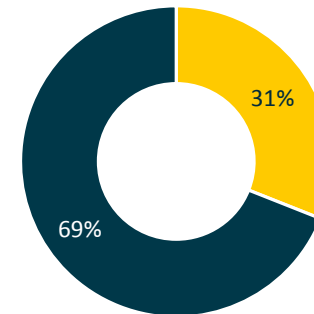
# Market and outlook

Spot the difference.

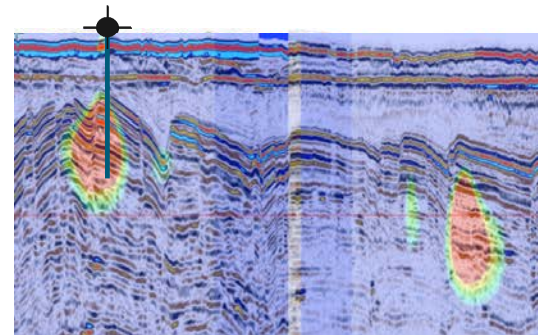
# Multi-client – an important part of EMGS business model

- A proven business model
- Increased share of revenue
- Access to seismic data important
- Creating regional and strategic «hubs» of EM data
- Investing in future revenue and increased adoption
- Important success criteria for sales to have data to show

Multi-client revenues amounted to 31% of 2014 revenues



Multi-client data examples - important success criteria for sales



*Arbitrary seismic profile from Wisting and the surrounding area*

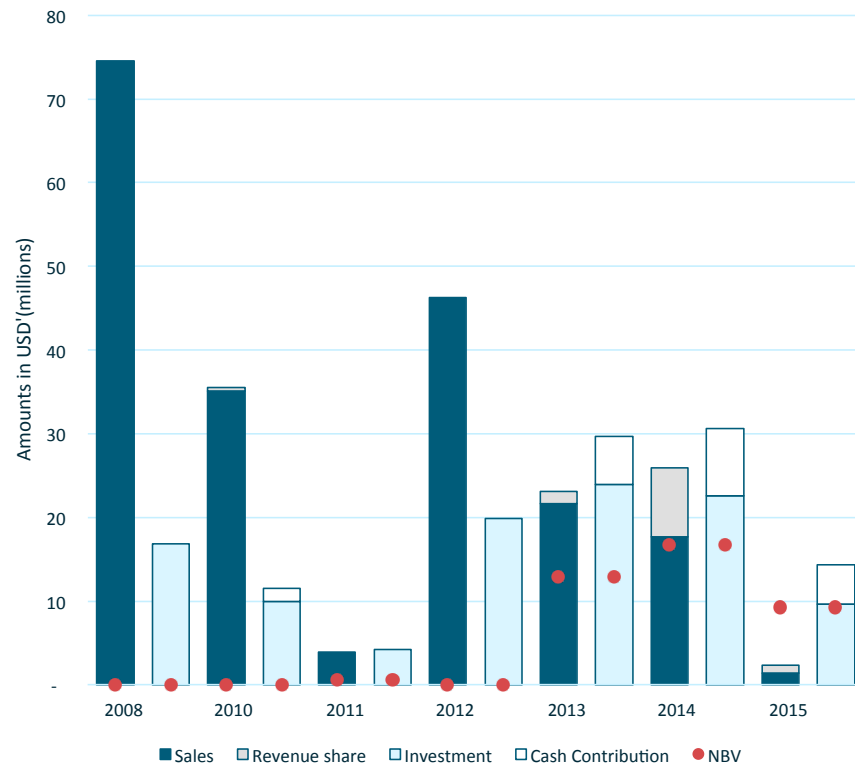


## Diversified portfolio with different characteristics

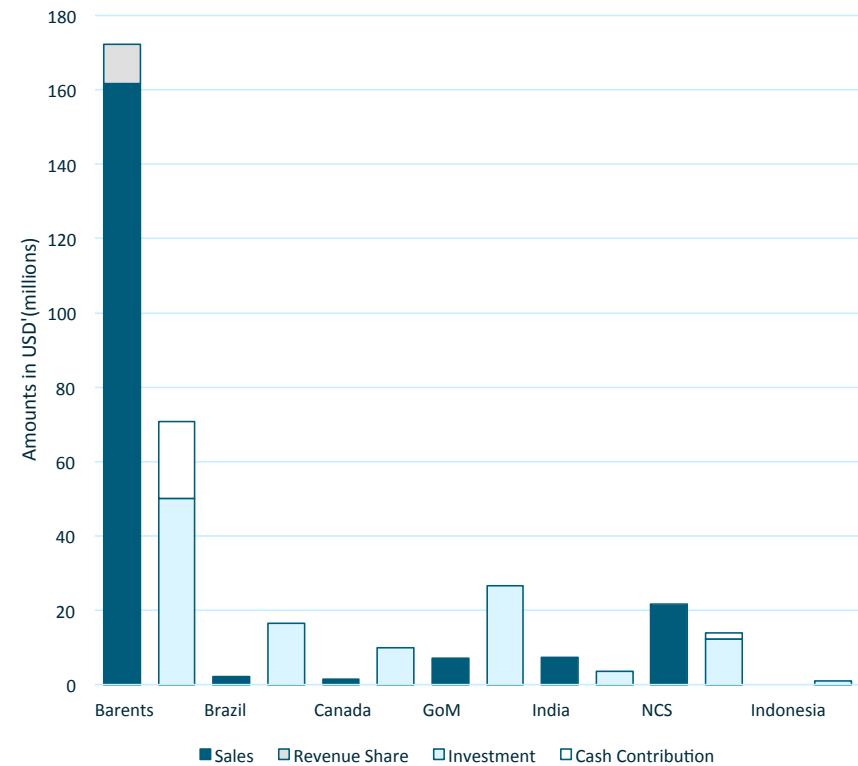
	EMGS multi-client project portfolio		
Return targets	<2.0x	2.0x – 2.5x	>2.5x
Prefunding requirements	70-150%	50-70%	0-50%
Uplift potential	No	Some	Yes
Project characteristics	<ul style="list-style-type: none"> <li>- Awarded acreage</li> <li>- Fewer customers</li> <li>- Potential farm-ins</li> <li>- Available seismic data</li> </ul>	<ul style="list-style-type: none"> <li>- Mainly open acreage</li> <li>- Regular license rounds</li> <li>- Established MC areas</li> <li>- Many customers</li> <li>- Available seismic data</li> </ul>	<ul style="list-style-type: none"> <li>- Open acreage</li> <li>- Early stage</li> <li>- Many customers</li> <li>- Available seismic data</li> </ul>

# Profitable multi-client investments

## Multiclient Key Figures by Vintage



## Multiclient Key Figures by Region



# North and South America region

## Uruguay

- Contract with BG Group completed 17 April
- Total revenue of ~USD 28 million

## US Gulf of Mexico

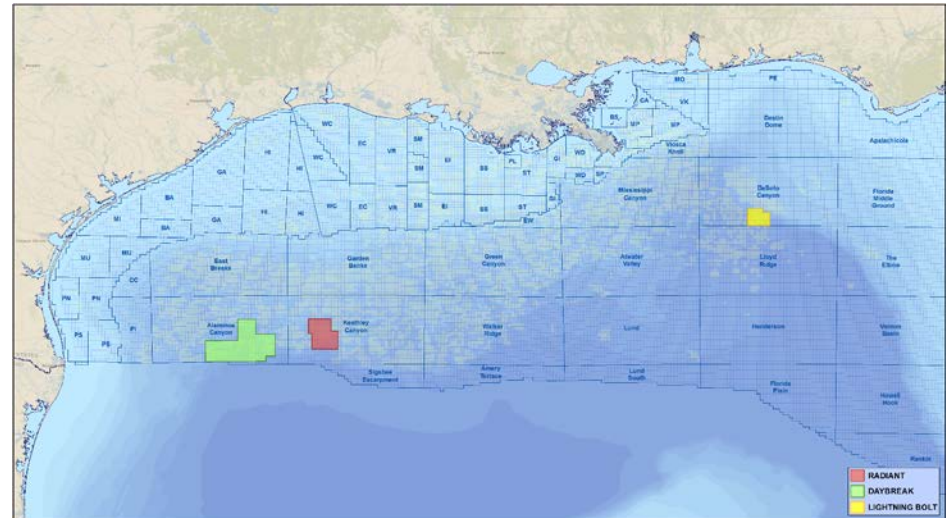
- Daybreak US GoM
- Radiant US GoM
- Lightning Bolt US GoM

## Mexico

- Working on both contract and multi-client opportunities
- CNH awarded 7 seismic permits
- Final confirmation on acreage included in round 1 expected shortly

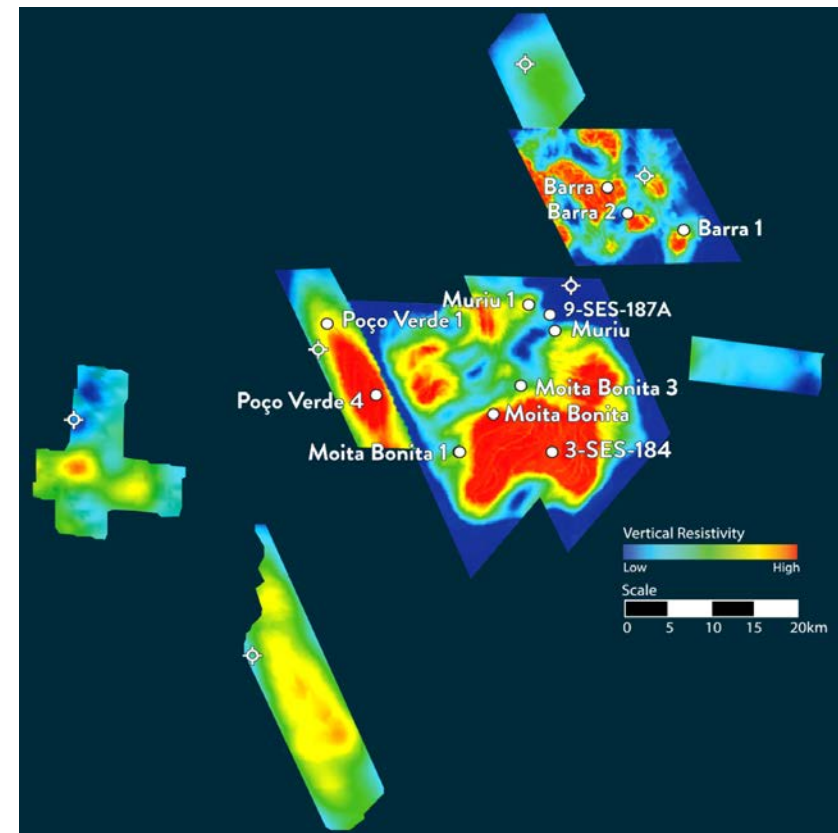
## Canada

- Well positioned for new projects



## North and South America region – examples from Brazil

- Data set from Brazil indicates that EM is a good indicator for predicting outcome of wells
- >1900 sq.km 3D EM in Sergipe Alagoas basin
- 18 well locations within EM sensitivity window
  - 11 wells were drilled *after* EMGS published these results in 2013
  - Most recent oil discovery, 3-SES-184, announced 29 April 2015
  - Major discoveries associated with high resistivity



Sergipe Alagoas basin

# EMEA and Asia

## Norway

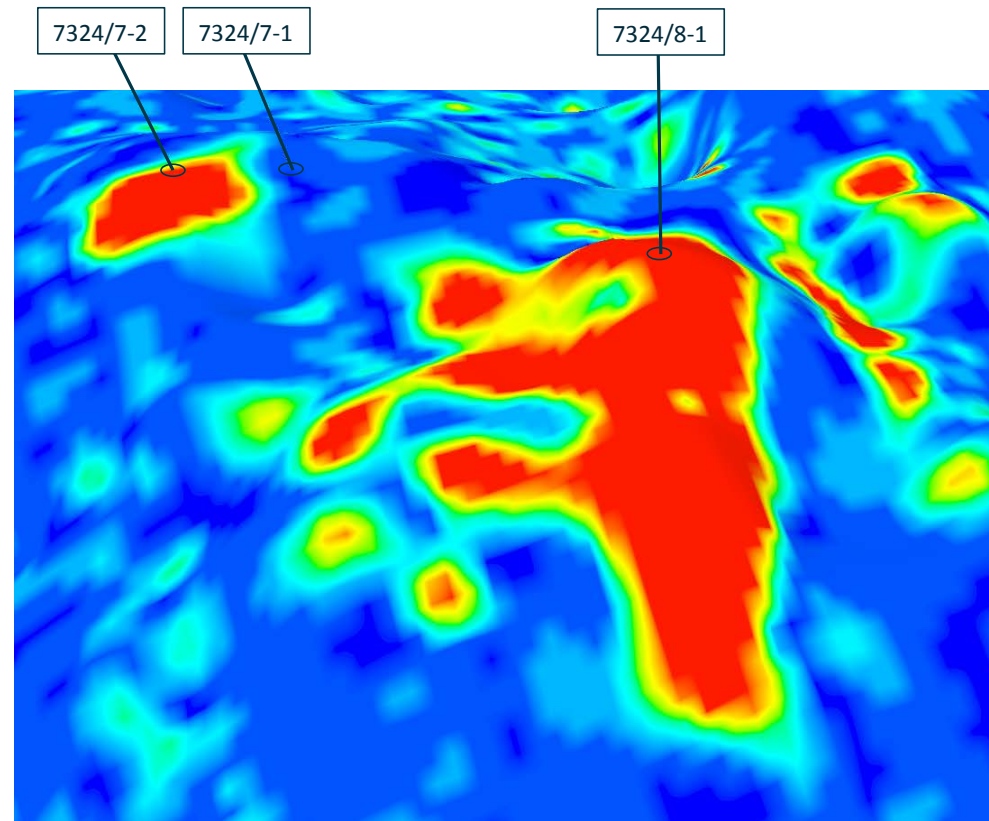
- Barents Sea/ completed MC campaign
- New campaign/ APA related
  - Deadline for applications 2 September
- 23rd licensing round – main driver for sales revenue in Norway in 2015
  - Expect related late sales Q2 and Q3
  - Up-lift revenue potential Q1 2016
- Expect some contract activity during 2015, although lower than 2014

## Africa

- Contract opportunities for 2H 2015

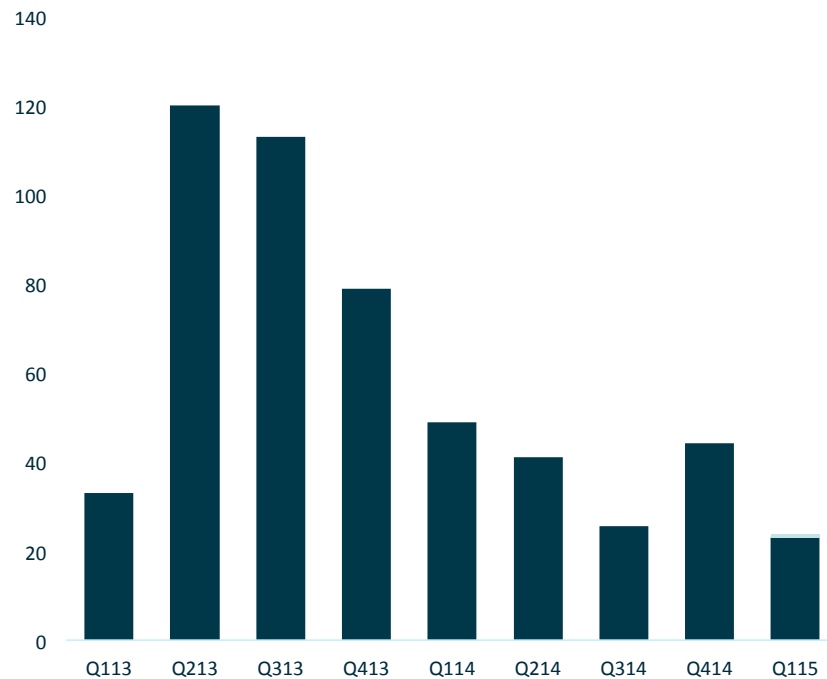
## Asia

- Multi-client projects Indonesia
- Positioned for contracts in the region



# Market update

Order book (USD million)



## Contract opportunities

- Expect to keep one vessel in Asia in 2015
- Opening up of Mexican shelf expected to increase activity
- Focus on national oil companies (NOCs), often invest through cycles
- Target specific areas where IOC budgets are allocated

## Multi-client projects

- Continue to invest in key multi-client libraries
  - Increased adoption
  - Future revenue streams
- Collaboration with seismic companies

## Summary and outlook

- Demand for geophysical data has declined in the first quarter and outlook remains uncertain
- Delays in contract negotiations, used opportunity to invest in well positioned multi-client projects
- Target specific geographic areas, both contract and multi-client, where budgets are allocated
- Cost reduction program initiated early Q1
  - Management closely monitor market development and further initiatives will be implemented if needed
- While near-term market is challenging, the EM technology, a solid balance sheet and flexible business model position the Company for future growth in the longer term





Questions?

Spot the difference.



# SPOT THE DIFFERENCE.

Appendix

# Income statement

USD million	Quarter ending		Year ending	
	31.03.2015	31.03.2014	31.12.2014	31.12.2013
Contract sales	22.1	46.4	137.2	111.3
Multi-client sales	10.2	14.9	60.8	33.3
<b>Total revenues</b>	<b>32.3</b>	<b>61.3</b>	<b>198.0</b>	<b>144.6</b>
Charter hire, fuel and crew expenses	7.6	20.6	61.3	51.2
Employee expenses	13.1	15.7	55.2	54.3
Other operating expenses	4.4	4.6	22.5	21.5
<b>EBITDA</b>	<b>7.2</b>	<b>20.4</b>	<b>59.0</b>	<b>17.5</b>
Depreciation and ordinary amortisation	3.2	4.3	16.3	17.5
Multi-client amortisation and impairment	3.3	3.3	14.6	12.3
<b>EBIT</b>	<b>0.7</b>	<b>12.8</b>	<b>28.1</b>	<b>(12.3)</b>
Net financial items	(1.9)	(1.1)	3.1	(0.9)
<b>Profit /(loss) before tax</b>	<b>(1.1)</b>	<b>11.7</b>	<b>31.2</b>	<b>(13.2)</b>
Income tax expense	0.1	3.4	5.3	1.9
<b>Net profit /(loss)</b>	<b>(1.2)</b>	<b>8.2</b>	<b>25.9</b>	<b>(15.1)</b>

# Financial position

USD million	Period ending	
	31.03.2015	31.03.2014
<b>ASSETS</b>		
Goodwill	14.4	14.4
Deferred tax asset	3.0	1.9
Multi-client library	40.1	28.0
Other intangible assets	3.0	2.9
Property, plant and equipment	16.8	24.3
Assets under construction	33.2	20.9
Financial assets	2.2	4.0
<b>Total non-current assets</b>	<b>112.8</b>	<b>96.4</b>
Trade receivables	38.5	41.8
Other current assets	34.5	41.9
Cash and cash equivalents	38.2	47.1
Restricted cash	0.7	1.0
<b>Total current assets</b>	<b>111.9</b>	<b>131.8</b>
<b>TOTAL ASSETS</b>	<b>224.6</b>	<b>228.2</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>122.4</b>	<b>112.1</b>
<b>Total non-current liabilities</b>	<b>62.4</b>	<b>69.4</b>
Trade payables	9.4	16.2
Current tax liability	4.7	5.5
Other short term liabilities	24.5	21.6
Borrowings	1.2	3.5
<b>Total current liabilities</b>	<b>39.9</b>	<b>46.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>224.6</b>	<b>228.2</b>

# Cash flow

USD million

	Period ending	
	31.03.2015	31.03.2014
Net cash flow from operating activities	28.1	(0.7)
Net cash flow from investing activities	(14.6)	(9.7)
Net cash flow from financial activities	(0.5)	2.2
Net increase/(decrease) in cash	13.0	(8.2)

## Largest shareholders (as of 6 May)

	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC	22,926,866	11.48
2	PERESTROIKA AS	18,889,449	9.46
3	Morgan Stanley & Co. MS & CO LLC MSCO CLI	18,582,500	9.30
4	ODIN OFFSHORE	9,651,299	4.83
5	CLEARSTREAM BANKING	7,551,706	3.78
6	ODIN NORGE	7,522,609	3.77
7	VERDIPAPIRFONDET DNB	5,157,708	2.58
8	SKAGEN VEKST	5,029,207	2.52
9	VERDIPAPIRFONDET DNB	4,916,670	2.46
10	STATOIL PENSJON C/O JP MORGAN CHASE	4,568,645	2.29
11	J.P. Morgan Chase Ba SPECIAL TREATY LENDI	2,672,385	1.34
12	SUNDT AS	2,426,833	1.21
13	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	2,137,190	1.07
14	SPORTSMAGASINET AS	2,000,000	1.00
15	DNB NAVIGATOR (II)	1,961,343	0.98

## 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

