

Disclaimer

This quarterly presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Electromagnetic Geoservices ASA (EMGS) and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the EMGS' businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although Electromagnetic Geoservices ASA believes that its expectations and the information in this Report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Report. Electromagnetic Geoservices ASA nor any other company within the EMGS Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Report, and neither Electromagnetic Geoservices ASA, any other company within the EMGS Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Report. Electromagnetic Geoservices ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the Report.



FIRST QUARTER 2018 RESULTS.

Oslo, 3 May 2018

CEO Christiaan Vermeijden, CFO Hege A. Veiseth

Spot the difference.

Comprehensive refinancing approved, seasonally weak quarter

Operations

- Completed multi-client surveys in Indonesia
- Expanded the library in the Barents Sea

Financials

- Revenues of USD 4.3 million
- EBITDA of negative USD 6.4 million
- Rights issue of up to USD 12.5 million approved
- Fully underwritten convertible bond issue of USD 32.5 million approved

Market

- Increase in oil price supportive of future growth
- Positive development regarding acquisitions outside Norway
- Caution required as no significant change to backlog recorded



Comprehensive refinancing approved, seasonally weak quarter

Operations

- Completed multi-client surveys in Indonesia
- Expanded the library in the Barents Sea

Financials

- Revenues of USD 4.3 million
- EBITDA of negative USD 6.4 million
- Rights issue of up to USD 12.5 million approved
- Fully underwritten convertible bond issue of USD 32.5 million approved

Market

- Increase in oil price supportive of future growth
- Positive development regarding acquisitions outside Norway
- Caution required as no significant change to backlog recorded





Financial review

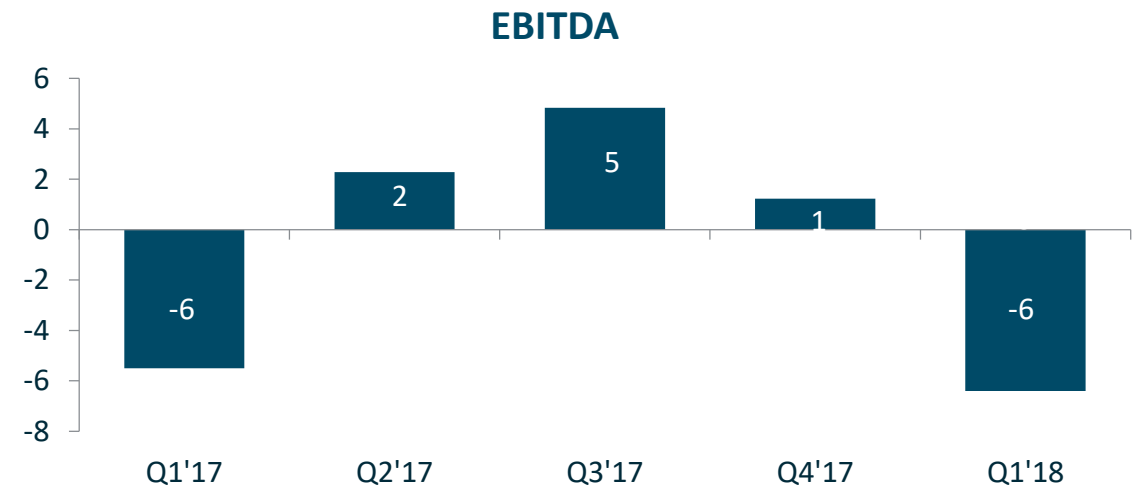
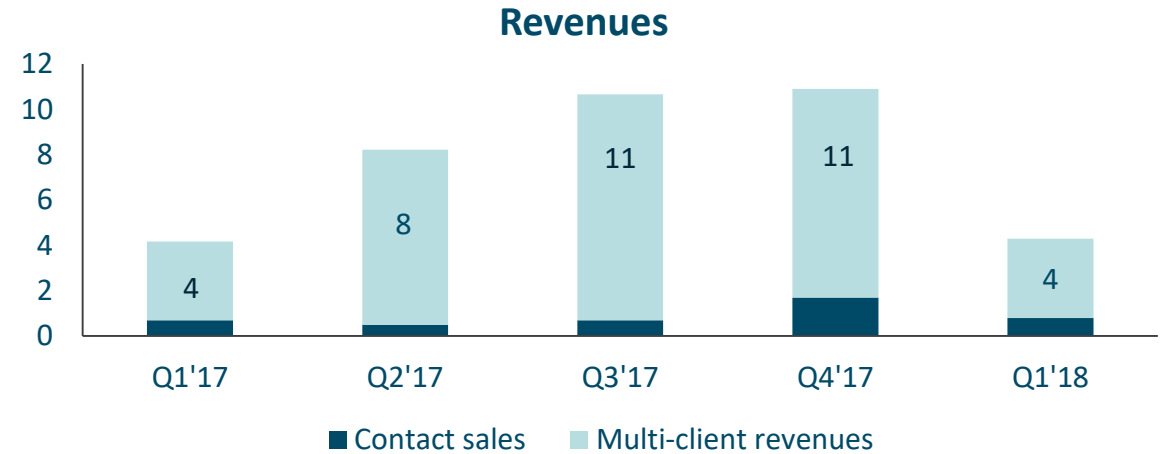
Spot the difference.

First quarter performance

Key financial metrics

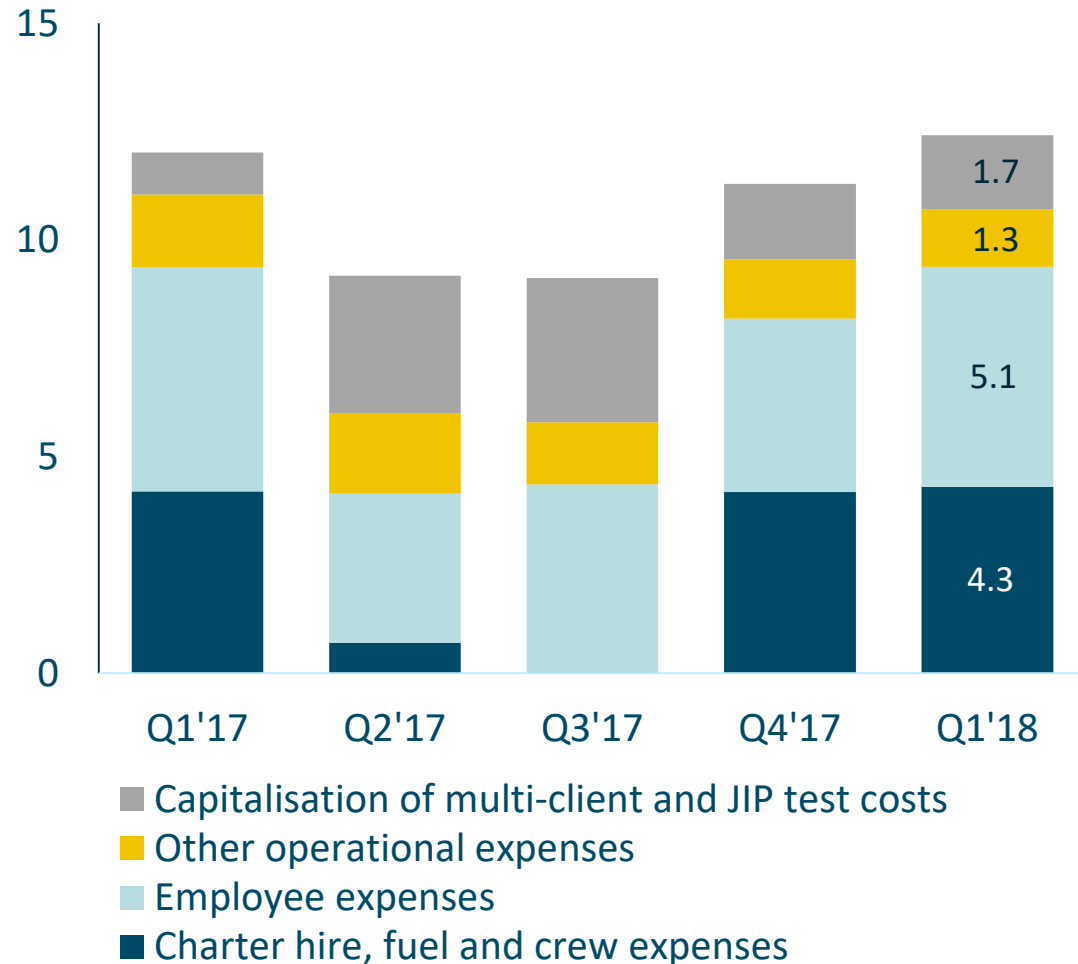
- Revenues
 - USD 4.3 million
 - New revenue recognition standard implemented
- EBITDA
 - Negative USD 6.4 million
- Vessel utilisation of 37%
 - Two vessels on charter
 - Pre-funded multi-client surveys in Indonesia
 - Multi-client survey in the Barents Sea

Quarterly development (USD million)



Operational costs

Quarterly operational cost base* development (USD million)



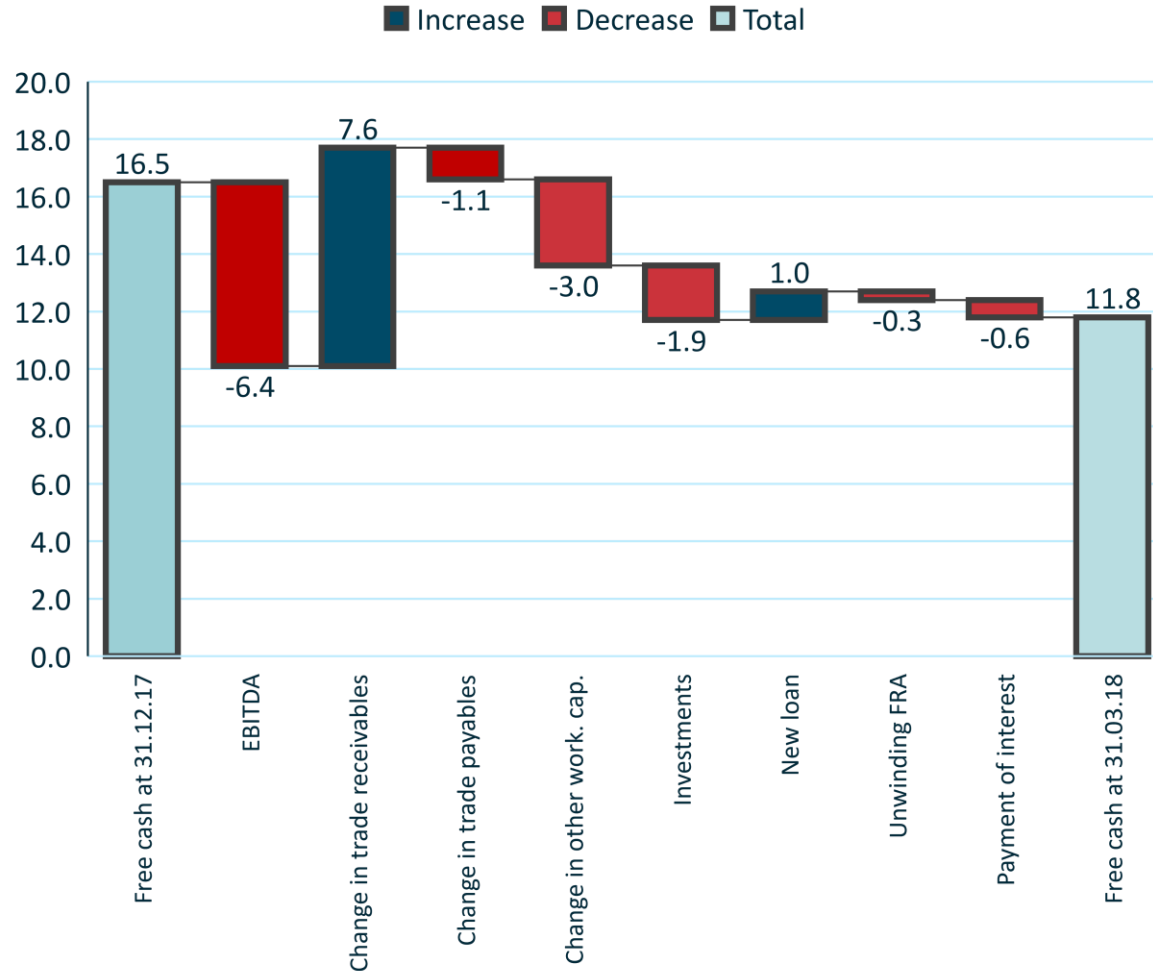
Comments

- Operational costs base in Q1 18 of USD 12.4 million
 - Comparable to Q1 last year
- Cost control
 - Cost control focus continues
 - Target the 2018 cost base around USD 50 million, subject to operational activity

*Cost base is defined as Operational costs (charter hire etc, employee expenses, other operating expenses) plus MC investments, less provision for onerous contract, restructuring charges and other extraordinary items

Decrease in free cash in Q1

Quarterly free cash development (USD million)

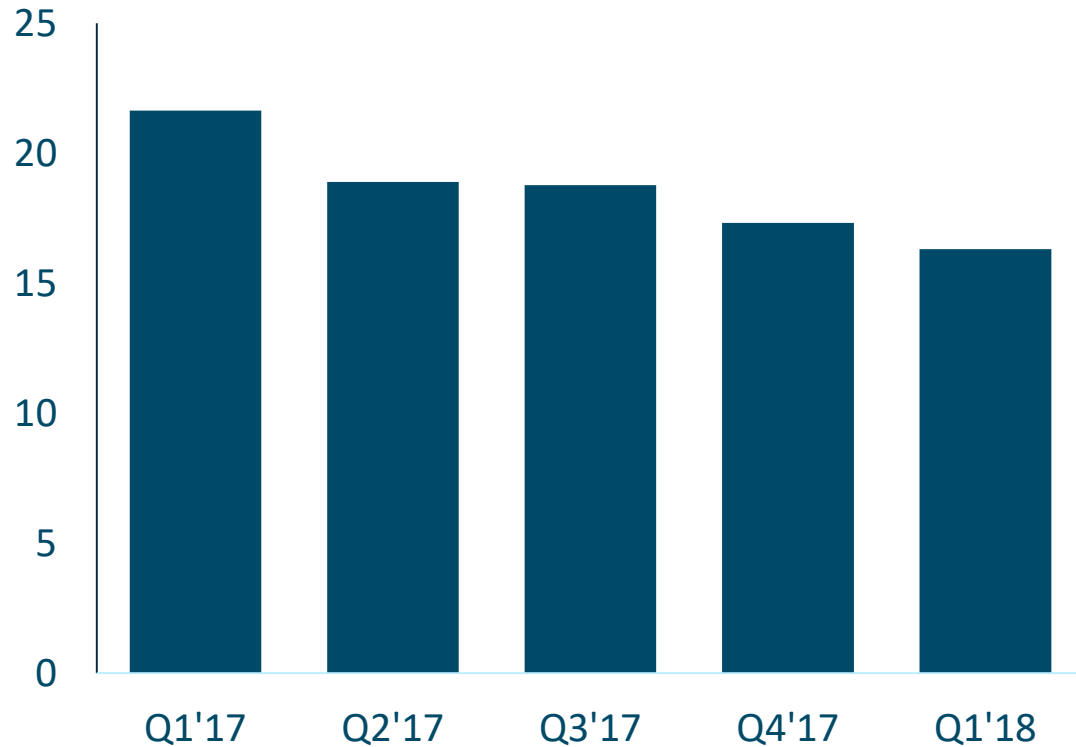


Comments

- Net decrease in free cash of USD 4.7 million to USD 11.8 million
- Trade receivables decreased by USD 7.6 million to USD 3.5 million
- USD 0.6 million in interest-payment on interest bearing debt of USD 33.5 million
- Total investments of USD 1.9 million

Multi-client book value of USD 14.6 million

Multi-client library – NBV (USD million)



Comments

- Reduction of book value from USD 17.3 million previous quarter to USD 16.3 million
- Investments of USD 1.7 million
 - Indonesia and Barents Sea
- Amortisation of USD 2.7 million
 - Straight-line amortisation

Comprehensive refinancing

Rights issue

- Gross proceeds of up to USD 12.5 million
 - USD 10 million underwritten
- Subscription price of NOK 2.45 per share
- Up to 39.5 million new shares
- Net proceeds to be used for general corporate purposes
- Proceeds expected on or about 15 May

Convertible bond issue

- Fully underwritten convertible bond with nominal amount of USD 32.5 million
- Conversion price of USD 0.42677
- Reduced cash covenant
 - USD 2.5 million vs. USD 10 million
- New maturity
 - 2023 vs. 2019
- Net proceeds to be used to call the existing NOK 246 million bond



Operations, Market and Outlook

Spot the difference.

Comprehensive refinancing approved, seasonally weak quarter

Operations

- Completed multi-client surveys in Indonesia
- Expanded the library in the Barents Sea

Financials

- Revenues of USD 4.3 million
- EBITDA of negative USD 6.4 million
- Rights issue of up to USD 12.5 million approved
- Fully underwritten convertible bond issue of USD 32.5 million approved

Market

- Increase in oil price supportive of future growth
- Positive development regarding acquisitions outside Norway
- Caution required as no significant change to backlog recorded





Questions?

Spot the difference.

Consolidated Income Statement

Amounts in USD 1 000	Q1 2018 Unaudited	Q1 2017 Unaudited Restated*	2017 Unaudited Restated*
Operating revenues			
Contract sales	114	701	2,583
Multi-client pre-funding	2,540	1,075	11,295
Multi-client late sales	963	2,386	19,132
Other revenue	679	0	886
Total revenues	4,296	4,162	33,896
Operating expenses			
Charter hire, fuel and crew expenses	4,296	2,766	7,655
Employee expenses	5,085	5,172	16,964
Depreciation and ordinary amortisation	2,122	1,407	6,779
Multi-client amortisation	2,717	2,292	10,345
Impairment of long-term assets	0	0	3,626
Other operating expenses	1,324	1,682	6,334
Total operating expenses	15,545	13,319	51,703
Operating profit/ (loss)	-11,248	-9,157	-17,807
Financial income and expenses			
Interest income	92	14	193
Interest expense	-1,228	-1,053	-4,088
Net gains/(losses) of financial assets and liabilities	2,126	1,026	2,143
Net foreign currency income/(loss)	-1,795	-1,016	-3,292
Net financial items	-805	-1,029	-5,043
Income/ (loss) before income taxes	-12,054	-10,185	-22,850
Income tax expense	3	33	356
Income/ (loss) for the period	-12,056	-10,219	-23,206

* See Accounting principles under Notes

Consolidated Statement of Financial Position

Amounts in USD 1 000	31 March 2018 Unaudited	31 March 2017 Unaudited Restated*	31 December 2017 Unaudited Restated*
ASSETS			
Non-current assets			
Multi-client library	16,309	21,643	17,317
Other intangible assets	1,717	2,399	1,559
Property, plant and equipment	34,578	12,874	36,281
Assets under construction	2,782	28,353	3,112
Restricted cash	3,510	3,706	3,524
Total non-current assets	58,896	68,974	61,793
Current assets			
Spare parts, fuel, anchors and batteries	7,148	7,565	7,200
Trade receivables	3,521	3,336	11,075
Other receivables	7,219	6,337	5,957
Cash and cash equivalents	11,812	12,995	16,548
Restricted cash	3,616	1,074	2,997
Total current assets	33,315	31,307	43,778
Total assets	92,211	100,282	105,571

Amounts in USD 1 000	31 March 2018 Unaudited	31 March 2017 Unaudited Restated*	31 December 2017 Unaudited Restated*
EQUITY			
Capital and reserves attributable to equity holders			
Share capital, share premium and other paid-in equity	336,784	319,272	336,764
Other reserves	-1,591	-1,615	-1,617
Retained earnings	-320,817	-295,774	-308,761
Total equity	14,375	21,884	26,386
LIABILITIES			
Non-current liabilities			
Provisions	20,333	19,645	20,670
Financial liabilities	572	4,479	2,993
Borrowings	32,241	29,042	30,288
Total non-current liabilities	53,146	53,166	53,950
Current liabilities			
Trade payables	5,824	4,850	6,882
Current tax liabilities	6,158	5,841	6,299
Other short term liabilities	11,405	11,258	11,763
Borrowings	1,302	3,285	290
Total current liabilities	24,690	25,234	25,234
Total liabilities	77,836	78,399	79,184
Total equity and liabilities	92,211	100,282	105,571

Largest shareholders as of 2 May

#	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC.	21 869 450	23.92
2	PERESTROIKA AS	20 560 847	22.49
3	MORGAN STANLEY & CO. LLC	18 074 938	19.77
4	BÆKKELAGET HOLDING AS	3 010 000	3.29
5	SPORTSMAGASINET AS	2 575 001	2.82
6	ROSENFONN INVEST AS	1 500 000	1.64
7	NHO - P665AK JP MORGAN CHASE BANK	902 932	0.99
8	DNB NAVIGATOR (II)	711 279	0.99
9	STATOIL PENSJON	701 458	0.77
10	NORDNET LIVSFORSIKRING	541 766	0.59
11	KRISTIAN FALNES AS	400 000	0.44
11	HAAV HOLDING AS	400 000	0.44
13	MILGIS STIFTELSEN	360 000	0.39
14	JACKWITZ, SVEIN-ERIK	351 832	0.38
15	ØVERLAND, JARLE	340 000	0.37
15	J&J INVESTMENT AS	340 000	0.37
16	NORDEA BANK AB CLIENTS ACCOUNT	314 097	0.34
17	RAGE, PER EGIL	306 500	0.34
18	RYGG JAN WIGGO	300 000	0.33
19	VESTVIK PRESERVERING AS	290 746	0.32