



FOURTH QUARTER 2015 RESULTS.

Oslo, 11 February 2016

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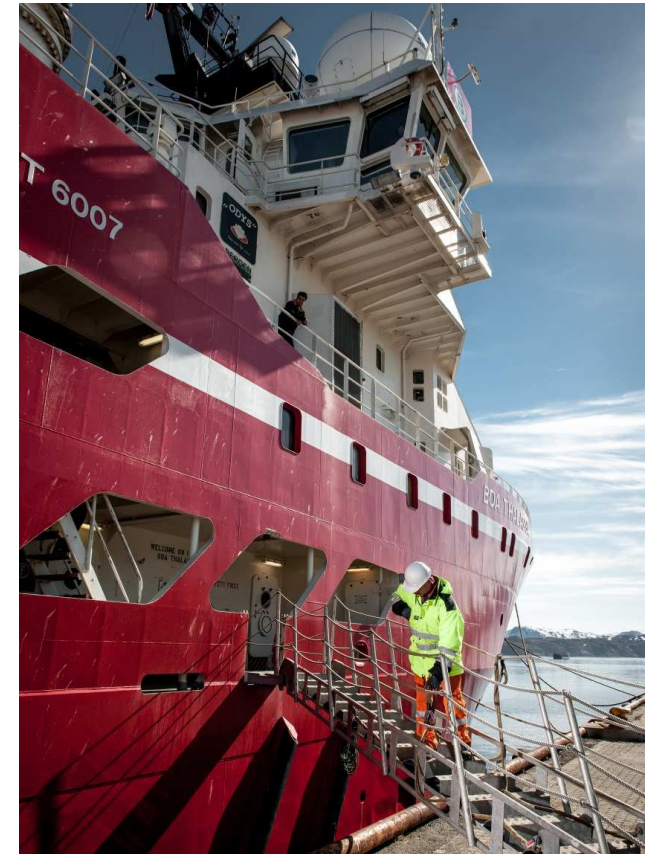
Spot the difference.

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Fourth quarter 2015 highlights

- Completion of contract extension in Malaysia worth USD 7 million
- New contract signed in India USD 15 million
- Proof Of Concept study completed in Mexico
- Cost reduction measures ongoing
- Financial restructuring completed
- New management
 - New CEO and CFO appointed





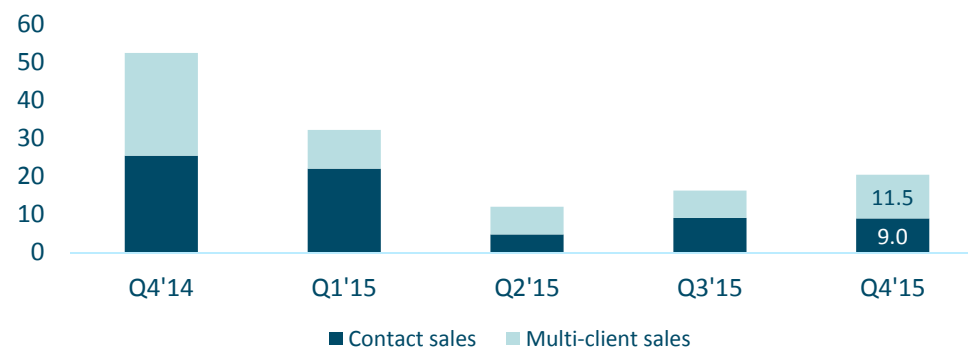
Financial review

Spot the difference.

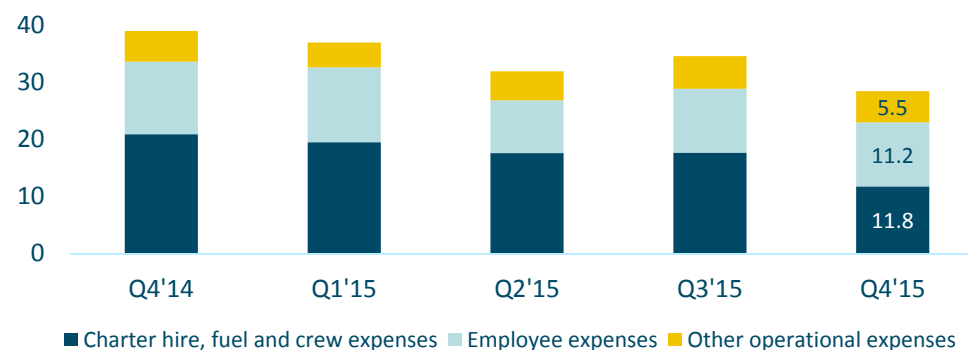
Fourth quarter key financials

- Revenues of USD 20.5 million
- Operational costs of USD 28.5 million, affected by ~USD 5.4 million in special items
- Impairment of multi-client library of USD 8.6 million
- Down from 4 to 3 vessels in Q4, with low utilisation (21%)

Revenues

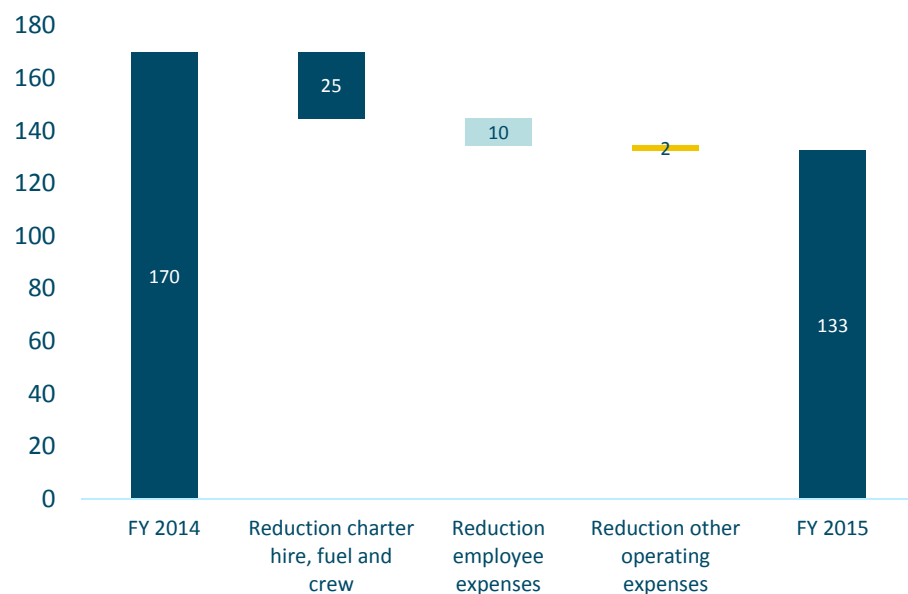


Operational expenses adjusted for MC



Cost reduction program progressing as planned

Implications on operational cost base – USD million



Comments

- Cost reducing measures implemented to bring cost base in line with expected activity level, with key elements
 - Freeze on new hires, consultants and agents
 - Reduction of fleet capacity from 4 to 2 vessels
 - Reduction in headcount
 - Renegotiated terms with suppliers/ sub-contractors
 - CAPEX reduced by 62% vs guiding for FY2015, limited to only key R&D projects
- Measures expected to have full effect from the second quarter 2016
- Currently ahead of target to cut cost to well below USD 100 million

Improved financial position following the equity issue

Operational

- Financial restructuring provides EMGS with improved financial flexibility to weather the current downturn

Financial

- New equity of USD 32 million, of which
- USD 8 million used for partial bond buy-back @ 80% of par, yielding a financial gain of USD 2 million
- Bond loan reduced to NOK 270 million (USD 31 million)
- Bond maturity extended by 36 months
- Cash position strengthened



Note: (1) All figures have been converted from NOK using the official NOK/USD rate from Norges Bank as of 29 October 2015 of 8.57

Change in multi-client amortisation due to amendment to IAS 38

- Amendment to IAS 38, effective from 1 January 2016
- Revenue-based method of amortisation of intangible assets is not considered appropriate
- EMGS has changed its principle and aligned to the method used by the seismic companies:
 - During work in progress (WIP), amortisation continue to be based on total cost versus forecasted total revenues of the project
 - After completion, a straight-line amortisation is applied
 - Useful life is set to 4 years

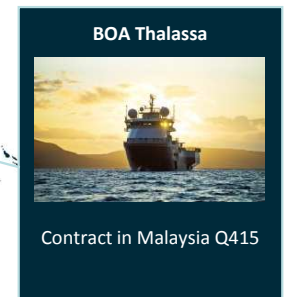
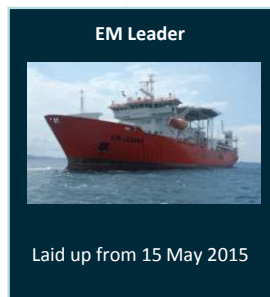




Market and outlook

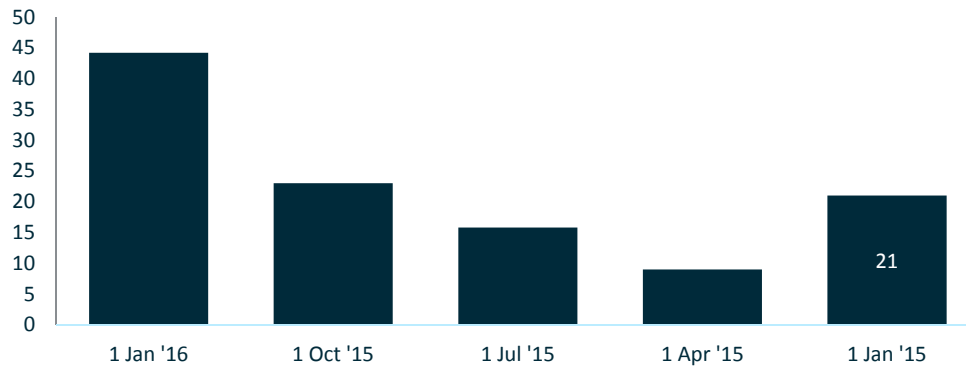
Spot the difference.

Fourth quarter vessel operations



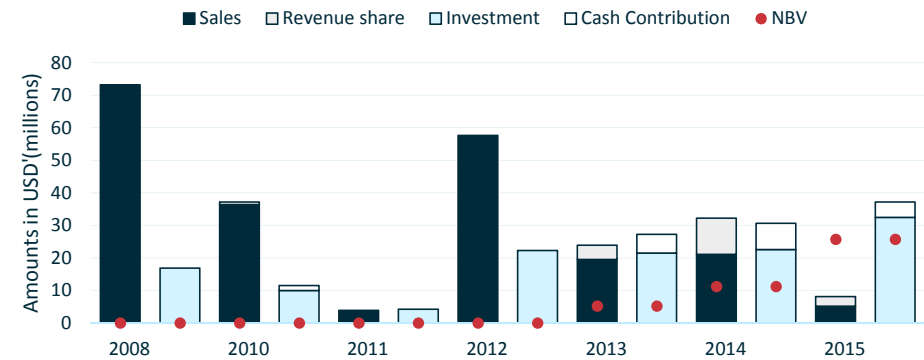
Current market situation

Order book



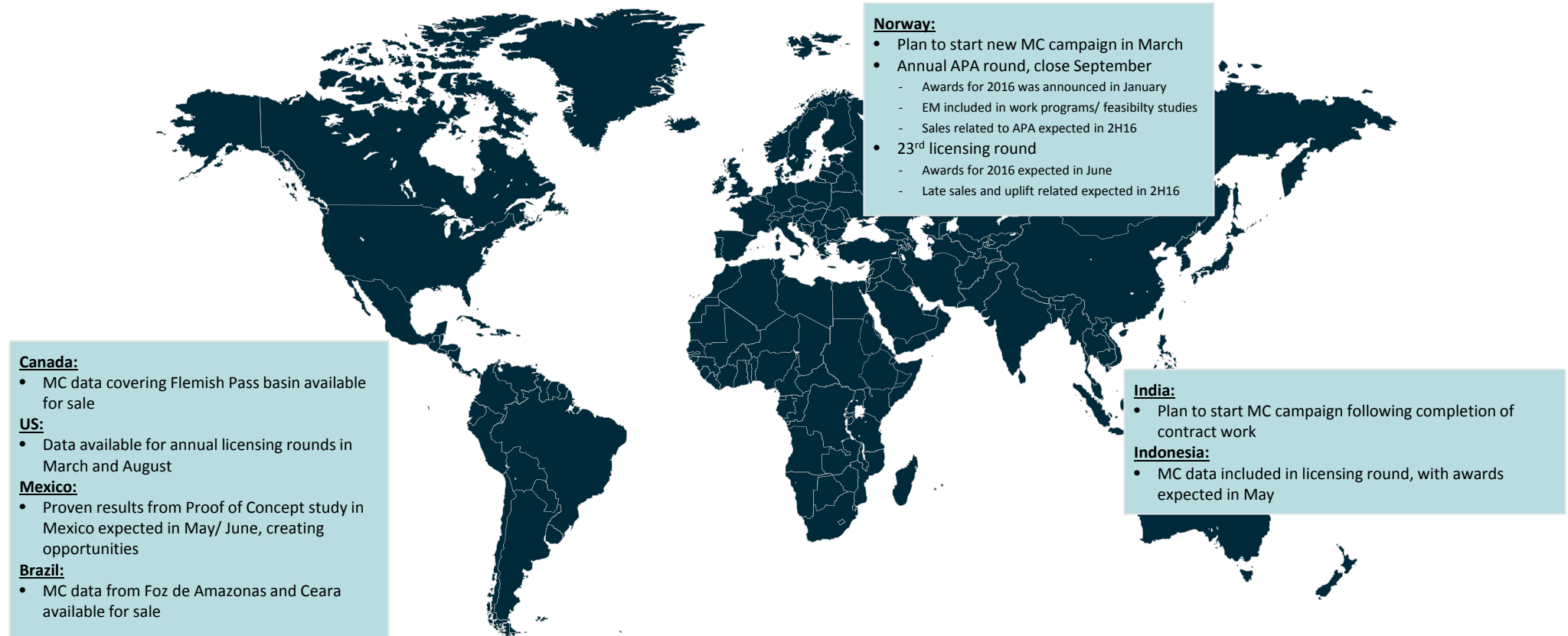
- Contract revenues have declined in 2015
- Visibility even more challenging as oil companies postpone decisions closer to start-up of surveys
- Adoption remains high in Mexico, India, Malaysia and Norway

Multi-client key figures by vintage



- Multi-client sales accounts for an increasing share of the total revenues, with 45% in 2015 vs 31% in 2014
- 2008-2012 vintages performing very well, where the Barents Sea library provides an exceptional good return on investment
- 2013-2015 vintages should provide for a healthy revenue stream in 2016 and going forward
- EMGS will continue to invest in expanding its library, yielding good revenue potential the next years

Multi-client opportunities



Summary and outlook

- Cost level reduced to be in line with expected activity
- Financial restructuring completed
- Market outlook challenging, characterised by high uncertainty
- Interest in EM technology healthy, challenged by reduced budgets
- EMGS expects to operate two vessels in 2016, with an option to include a third vessel if certain prospects materialise
 - Keep one vessel in Asia throughout 2016
 - One vessel will operate in Europe and the Americas



Long term story remains intact



EMGS is the market leader in an attractive niche market, offering services highly complementary to traditional geophysical methods



E&P companies are showing increased interest in EMGS' technology, although current exploration spending is reduced from previous levels and investment decisions are delayed



EMGS is currently undergoing an extensive cost cutting program, and has revamped and tailored its sales organization in order to meet exploration needs and strengthen its competitive position



Questions?

Spot the difference.

SPOT THE DIFFERENCE.

Appendix

Income statement

(USD 1 000)	Q4 2015 Unaudited	Q4 2014 Unaudited	2015 Unaudited	2014 Audited
Operating revenues				
Contract sales	9 001	25 477	45 008	137 222
Multi-client pre-funding	-	5 152	3 546	13 140
Multi-client late sales	11 498	21 884	32 586	47 661
Total revenues	20 499	52 513	81 140	198 023
Operating expenses				
Charter hire, fuel and crew expenses	11 807	15 752	32 402	61 300
Employee expenses	11 227	12 744	44 826	55 172
Depreciation and ordinary amortisation	2 705	3 906	12 679	16 291
Multi-client amortisation	4 156	4 972	8 631	12 595
Impairment of long-term assets	8 569	-	31 344	2 003
Other operating expenses	5 461	7 393	20 607	22 534
Total operating expenses	43 925	44 767	150 489	169 895
Operating profit/ (loss)	(23 426)	7 746	(69 349)	28 128
Financial income and expenses				
Interest income	28	36	352	687
Interest expense	(1 014)	(1 182)	(4 055)	(5 926)
Change in fair value of conversion rights	-	-	-	(210)
Net gains/(losses) of financial assets and liabilities	795	-	(4 106)	416
Net foreign currency income/(loss)	1 526	6 578	4 155	8 121
Net financial items	1 335	5 432	(3 654)	3 088
Income/ (loss) before income taxes	(22 091)	13 178	(73 003)	31 216
Income tax expense	2 027	58	3 712	5 330
Income/ (loss) for the period	(24 118)	13 120	(76 715)	25 886

Financial position

(USD 1 000)	31 December 2015	31 December 2014
	Unaudited	Audited
ASSETS		
Non-current assets		
Goodwill	-	14 422
Deferred tax asset	-	3 008
Multi-client library	42 267	33 758
Other intangible assets	3 703	3 220
Property, plant and equipment	16 773	19 247
Assets under construction	26 566	31 164
Financial assets	1 387	4 766
Total non-current assets	90 696	109 585
Current assets		
Spare parts, fuel, anchors and batteries	11 754	14 906
Trade receivables	18 580	65 531
Other receivables	5 665	14 730
Cash and cash equivalents	31 749	25 213
Restricted cash	6 680	5 319
Total current assets	74 428	125 699
Total assets	165 124	235 284

(USD 1 000)	31 December 2015	31 December 2014
	Unaudited	Audited
EQUITY		
Capital and reserves attributable to equity holders		
Share capital, share premium and other paid-in equity	319 038	287 398
Other reserves	(6 416)	(3 227)
Retained earnings	(234 652)	(157 937)
Total equity	77 970	126 234
LIABILITIES		
Non-current liabilities		
Provisions	17 371	15 299
Borrowings	30 848	46 859
Total non-current liabilities	48 219	62 158
Current liabilities		
Trade payables	10 439	13 362
Current tax liabilities	5 257	4 573
Other short term liabilities	16 243	27 270
Financial liabilities	6 326	-
Borrowings	670	1 687
Total current liabilities	38 935	46 892
Total liabilities	87 154	109 050
Total equity and liabilities	165 124	235 284

Largest shareholders as of 8 February

	Shareholder	Shares	Holding
1	SIEM INVESTMENTS INC.	313,769,927	23.92
2	PERESTROIKA AS	279,754,256	21.33
3	MORGAN STANLEY & CO. LLC	180,317,908	13.75
4	ODIN ENERGI	66,876,622	5.10
5	ODIN NORGE	53,307,963	4.06
6	STATOIL PENSJON	30,000,098	2.29
7	BÆKKELAGET HOLDING AS	25,050,000	1.91
8	SPORTSMAGASINET AS	17,586,683	1.34
9	NHO - P665AK	16,179,319	1.23
10	KRISTIAN FALNES AS	16,000,000	1.22
11	DNB NAVIGATOR (II)	13,717,253	1.05
12	J&J INVESTMENT AS	10,700,000	0.82
13	NORTHERN TRUST GSL CL AC	9,849,780	0.75
14	STATOIL FORSIKRING A.S	7,330,567	0.56
15	COLOR GROUP AS	6,566,520	0.50
16	FLATHOLMEN AS	5,480,000	0.42
17	CARNEGIE AS EGENHANDELSKONTO	5,288,346	0.40
18	TIGERSTADEN AS	5,000,000	0.38
19	FALNES OLAV KRISTIAN	4,800,000	0.37
20	CIPI LAMP UCITS SWEDBANK SMB	4,596,564	0.35

Vessel charters

	BOA Thalassa 	BOA Galatea 	Atlantic Guardian 	EM Leader 
Firm Charter	1 April 2017	Delivered back to vessel owner in mid-January	18 December 2017	8 December 2016
Current status	In operation, Asia		Idle	Laid up
Vessel owner	BOA Offshore	BOA Offshore	North Sea Shipping	Seatrans
Rates	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up		Fixed	Flexible rates for when (i) in operation, (ii) idle and (iii) laid up