EMGS THIRD QUARTER 2017.

Highlights in the Third Quarter.

Operational highlights

- First commercial survey for the Deep Blue (JIP) source completed
- Further multi-client investments in Norway
- 77% utilisation of one vessel

Financial highlights

- Revenues of USD 10.0 million
- EBITDA of USD 2.9 million
- Rights issue of NOK 144 million (USD 17.5 million) completed

Recent events

- Preparations for multi-client survey in Canada

Key financial figures

Amounts in USD million (except per share data)	Q3 2017 Unaudited	Q3 2016 Unaudited	YTD 2017 Unaudited	YTD 2016 Unaudited	2016 Audited	Q2 2017 Unaudited
Contract sales	**0.4**	0.4	1.6	13.8	21.8	0.5
Multi-client sales	**9.3**	4.1	22.7	18.7	22.7	10.2
Other revenue	**0.2**	0.0	0.2	0.0	0.0	0.0
Total revenues	**10.0**	4.5	24.6	32.6	44.5	10.6
Operating profit/ (loss)	**-1.0**	-10.6	-12.9	-30.1	-45.1	-2.5
Income/ (loss) before income taxes	**-1.8**	-11.4	-15.8	-38.0	-52.9	-3.6
Net income/ (loss)	**-1.6**	-11.1	-15.6	-37.8	-52.8	-3.6
Earnings/ (loss) per share	**-0.02**	-0.34	-0.26	-0.04	-1.61	-0.11
Average number of shares outstanding (in thousands)	**81,232**	32,794	59,499	882,330	668,785	32,794
EBITDA	**2.9**	-6.2	1.7	-6.8	-8.9	4.5
Multi-client and JIP test investments	**2.2**	3.6	6.1	9.3	11.0	3.0
Adjusted EBITDA	**0.8**	-9.8	-4.4	-16.1	-19.9	1.5

EBITDA = Operating profit /(loss) + Depreciation and ordinary amortisation + Multi-client amortisation + Impairment of long-term assets

Financial Review.

Revenues and operating expenses

EMGS recorded revenues of USD 10.0 million in the third quarter of 2017, up from USD 4.5 million reported for the corresponding quarter of 2016. Contract sales totalled USD 0.4 million, while multi-client sales amounted to USD 9.3 million, net of an adjustment for a share of revenues from joint projects between EMGS and TGS. For the third quarter of 2016, contract sales totalled USD 0.4 million, while multi-client sales amounted to USD 4.1 million.

The Company recorded 3.0 vessel months in the third quarter of 2017 compared with 6.0 months in the third quarter of 2016. Vessel utilisation for one vessel was 77% for the third quarter of 2017. The Atlantic Guardian, was allocated 72% to multi-client projects in Norway and 5% to a funded research and development project. In the comparable quarter of 2016, the vessels were allocated 31% to multi-client projects, and 21% to a funded research and development project.

Revenues for the first nine months of 2017 amounted to USD 24.6 million, compared with USD 32.6 million in the corresponding period during 2016. The decrease in revenues is mainly explained by a reduction in contract work this year compared with the corresponding period last year.

Charter hire, fuel and crew expenses totalled USD 1.2 million in the third quarter this year, compared with USD 2.7 million in the third quarter of 2016. The Company capitalised USD 2.2 million in multi-client and JIP expenses in the quarter, while USD 3.6 million was capitalised in the third quarter of 2016. The charter hire, fuel and crew expenses have decreased from USD 6.3 million in the third quarter of 2016 to USD 3.3 million in same period this year when adding back the capitalised multi-client and JIP expenses. The main reason for decreased expenses is the lower activity level in the third quarter 2017 as the Company only had one vessel on charter, resulting in lower vessel lease, fuel, vessel crew and other related costs.

So far this year, the Company has recorded charter hire, fuel and crew expenses of USD 4.8 million, down from USD 11.9 million in 2016. USD 6.1 million was capitalised as multi-client and JIP expenses in the first nine months of 2017, as opposed to USD 9.3 million during the same period last year.

Employee expenses amounted to USD 4.4 million in the third quarter of 2017, down from USD 5.7 million in the same quarter in 2016. The decrease is mainly explained by a reduction in the number of employees.

Employee expenses for the first nine months were USD 13.1 million in 2017, compared with USD 19.1 million in 2016.

Other operating expenses totalled USD 1.4 million in the third quarter this year. In the third quarter last year, other operating expenses amounted to USD 2.3 million. The decrease is mainly explained by a reduction in activity and implemented cost saving measures.

For the first nine months of 2017, other operating expenses amounted to USD 5.0 million, down from USD 8.3 million in the same period last year.

Depreciation, amortisation and impairment

Depreciation and ordinary amortisation totalled USD 1.8 million in the third quarter of 2017, up from USD 1.7 million in the third quarter of 2016.

Depreciation and ordinary amortisation decreased from USD 5.7 million in the first nine months of 2016 to USD 4.7 million in 2017.

Multi-client amortisation amounted to USD 2.2 million this quarter, compared with USD 2.8 million in the third quarter of 2016. The Company uses straight-line amortisation for its completed multi-client projects, assigned over the useful life time of 4 years. The amortisation is then distributed evenly, independently of sales during the quarter.

Multi-client amortisation totalled USD 6.8 million for the first nine months of 2017, down from USD 8.4 million in 2016.

Net financial items

Net financial items ended at negative USD 0.8 million in the third quarter of 2017, compared with a negative USD 0.8 million in the corresponding quarter last year.

In the first nine months of 2017, net financial items were negative USD 2.8 million, up from a negative USD 7.9 million in 2016.

Income/(loss) before income taxes

Loss before income taxes amounted to USD 1.8 million in the third quarter 2017, compared with a loss before income taxes of USD 11.4 million in the corresponding quarter in 2016.

Loss before income taxes for the first nine months of 2017 amounted to USD 15.8 million, compared with a loss before income taxes of USD 38.0 million in the same period last year.

Income tax expenses

Income tax expenses of negative USD 0.2 million were recorded in the third quarter of 2017, compared with an income tax expense of negative USD 0.4 million in the third quarter of 2016.

Income tax expenses for the first nine months of 2017 were negative USD 0.1 million, compared with negative USD 0.3 million in the same period in 2016.

Net income for the period

Loss for the third quarter of 2017 amounted to USD 1.6 million, up from a loss of USD 11.1 million in the same period last year.

Losses for the first nine months of 2017 were USD 15.6 million, up from a loss of USD 37.7 million in the same period last year.

Cash flow and balance sheet

In the third quarter 2017, net cash flow from operating activities was USD 5.2 million, compared with a negative net cash flow of USD 0.5 million in the third quarter of 2016. The cash flow from operating activities this quarter was mainly affected by a positive EBITDA of USD 2.9 million and a positive change in working capital.

In the first nine months of 2017, net cash flow from operating activities was USD 3.1 million, compared with a negative USD 2.7 million in the same period last year.

EMGS applied USD 2.6 million in investing activities in the third quarter this year, compared with USD 4.9 million in the third quarter of last year. The Company invested USD 0.4 million in equipment, USD 1.5 million in the multi-client library and 0.7 million in JIP field test in the third quarter 2017.

Cash flow from investing activities in the first nine months of this year amounted to a negative USD 7.9 million, compared with a negative USD 10.6 million in the same period last year. The Company invested USD 1.8 million in equipment, USD 5.2 million in the multi-client library and 0.9 million in JIP in the first nine months of 2017.

The carrying value of the multi-client library was USD 18.2 million at 30 September 2017, down from USD 18.9 million at 30 June 2017 and USD 32.2 million at 30 September 2016.

Cash flow from financial activities was positive USD 8.3 million in the third quarter of 2017, compared with a negative cash flow of USD 0.1 million in the same quarter last year. The positive cash flow this quarter included proceeds from the rights issue of USD 17.4 million. The drawing of the credit facility of USD 8.5 million at the end of the second quarter was repaid in the third quarter. The credit facility remains available to the Company and can be drawn upon if necessary subject to sufficient amount of receivables and free cash of at least USD 10 million.

Cash flow from financial activities for the first nine months of 2017 amounted to positive USD 13.7 million, compared with a negative USD 2.6 million in the same period of 2016.

The Company had a net increase in cash, excluding restricted cash, of USD 10.9 million during the third quarter of 2017. At 30 September 2017, cash and cash equivalents totalled USD 27.0 million, including 4.0 million in restricted cash.

Financing

Total borrowings were USD 31.7 million at 30 September this year, down from USD 38.5 million at 30 June 2017 and down from USD 34.2 million at 30 September last year. This includes the Company's bond loan, which has a carrying value of USD 30.8 million at 30 September 2017, USD 29.1 million at 30 June 2017 and USD 33.1 million at 30 September 2016.

The bond loan contains the following two financial covenants; free cash and cash equivalents of at least USD 10 million and capital employed ratio of minimum 1/3. In addition, the bond agreement has restrictions regarding the Company's ability to sell the multi-client library, declare or make dividend payments, incur additional indebtedness, change its business or enter into speculative financial derivative agreements. As of 30 September 2017, the free cash and cash equivalents totalled USD 23.0 million, while the capital employed ratio equalled 80%.

Operational Review.

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Contract	**0 %**	0 %	0 %	35 %	0 %
Multi-client	**72 %**	85 %	92 %	54 %	31 %
Funded R&D project	**5 %**	0 %	0 %	0 %	21 %
Total utilisation	**77 %**	85 %	92 %	89 %	52 %

Vessel utilisation and fleet allocation

In the third quarter of 2017, the Company had one vessel in operation. The vessel utilisation for one vessel amounted to 77% compared with 52% for two vessels in the corresponding quarter in 2016. For the first nine months of this year, the vessel utilisation was 85% compared with 61% for the same period last year.

The vessel was allocated 72% to multi-client projects and 5% to a funded research and development project in the third quarter of 2017. In the comparable quarter of 2016, the vessels were allocated 31% to multi-client projects and 21% to a funded research and development project.

EMGS recorded 3.0 vessel months in the quarter. In the third quarter 2016, the Company had two vessels in operation and recorded 6.0 vessel months.

Vessel activity in the third quarter

	Utilisation Q3 2017	Status Q3 2017	Firm charter period	Optional charter period
BOA Thalassa	**0 %**	Off-hire	01-Oct-19	3 x 6 months
Atlantic Guardian	**77 %**	In operation	30-Sep-21	5 x 12 months

Atlantic Guardian

The Atlantic Guardian started the quarter with the mobilisation of the Deep Blue source and completed the Fjord test on 17 July, prior to undertaking the first commercial project with the new source. Following that, the vessel acquired data on prefunded multi-client surveys in the Norwegian Sea and in the Barents Sea.

BOA Thalassa

The BOA Thalassa has been off-hire since 1 April. The new charter agreement has a firm start on 1 October 2017.

Backlog

As of 30 September 2017, EMGS' backlog was USD 3.3 million compared with a backlog of approximately USD 5 million at the end of the third quarter 2016. USD 2.8 million of the backlog as of 30 September 2017 is related to prefunding and the remaining USD 0.5 million is related to processing, interpretation and other projects.

Events during the third quarter of 2017

Completion of rights issue

On 7 July, EMGS completed a rights issue. The subscription period in the Rights Issue expired on 6 July 2017. A total of 52,065,521 shares were subscribed for in the Rights Issue. The Rights Issue resulted in gross proceeds to the Company of NOK 144 million through the issuance of 58,634,735 new shares.

Following the registration of the new share capital in the Norwegian Register of Business Enterprises, the Company has

91,428,874 shares outstanding, each with a par value of NOK 1.00.

Data licensing agreements in the Barents Sea in Norway

On 1 August, EMGS announced that the Company had entered into a prefunding and late sales agreement related to 3D CSEM data surveys in the Barents Sea. The agreement represents revenues of approximately USD 1.8 million.

On 19 September, EMGS announced that the Company had entered into data licensing agreements related to 3D CSEM data from the library in the Barents Sea. These agreements represent revenues of approximately USD 1.2 million.

On 26 September, EMGS announced that the Company had entered into data licensing agreements related to 3D CSEM data in the Barents Sea. These agreements represent combined revenues of approximately USD 1.5 million.

Recent events

Preparations for multi-client survey west of Newfoundland in Canada

On 17 October, EMGS announced that the Company has initiated preparations for carrying out a pre-funded multi-client survey west of Newfoundland in Canada. The survey represents a minimum level of revenues of approximately USD 2.5 million. The survey is expected to be executed in the fourth quarter of 2017.

Share information

EMGS was listed at the Oslo Stock Exchange in March 2007. During the third quarter 2017, the EMGS share was traded between NOK 2.09 and NOK 3.26 per share. The last closing price before 30 September 2017 was NOK 2.87.

As of 30 September 2017, the Company had a total of 91,428,874 shares outstanding.

Risks and uncertainty factors

EMGS is subject to a number of risk factors, of which the most important is the demand for EM services. The low oil price has resulted in a substantial decline in E&P spending, and a corresponding sharp deterioration of the market for geophysical services, including EMGS' services.

During 2015 and 2016, EMGS' board and management have implemented comprehensive cost reduction measures, including changes to the organisation to reduce the Company's cost base. This has reduced the operational cost base from USD 143 million in 2015 to USD 63 million for 2016. EMGS has continued its cost reduction program in 2017 and targets a cost base of approximately USD 45 million for 2017, subject to operational activity.

Based on the Company's low backlog and the current market situation, there is material uncertainty related to the expected level of revenues going forward.

EMGS' management follows the Company's liquidity risk closely, including weekly updates of the Company's sales forecast and vessel schedule, in addition to a corresponding update of the cost and free cash forecast. The bond loan contains a financial covenant requiring free cash and cash equivalents of at least USD 10 million. The completed rights issue of USD 17.5 million has increased the free cash position.

The ever-changing exogenous factors in the industry will impact the business and risk factors going forward and they represent added uncertainties. In addition, there are risks associated with EM marine operations which might affect the profitability of projects. Examples include: changes in governmental regulations affecting EMGS' markets, technical downtime, adverse weather conditions, licensing and permitting, as well as delays in closing revenue-generating contracts. Reference is made to the Annual Report of 2016 for a further description of other relevant risk factors.

Outlook

The market outlook for oil services is challenging and characterised by high uncertainty. The Company expects market fundamentals to remain weak going into 2018. However, EMGS has noted an increase in commercial activity, and with a reduced cost base and the completed rights issue, the Company has improved its position going forward.

The Company expects that the 24th licensing round will trigger some additional sales in 2018 and possibly in 2017. Otherwise, marketing efforts are ongoing to secure backlog in Asia, the Americas and Europe.

Based on the current operational forecast, EMGS expects to operate two vessels in Q4 2017 and 2018. The Company expects to keep one vessel in Asia throughout Q4 2017, while the other vessel is expected to operate in the Americas and possibly Europe. EMGS will continue to invest in its multi-client library in selected areas. Capital investment plans are limited to maintenance of existing equipment and to the JIP.

Oslo, 1 November 2017
Board of Directors and CEO

Consolidated Income Statement.

Amounts in USD 1 000	Q3 2017 Unaudited	Q3 2016 Unaudited	Year to date 2017 Unaudited	Year to date 2016 Unaudited	2016 Audited
Operating revenues					
Contract sales	443	393	1,619	13,818	21,797
Multi-client pre-funding	5,270	0	10,469	0	579
Multi-client late sales	4,078	4,061	12,263	18,740	22,151
Other revenue	220	0	220	0	0
Total revenues	**10,011**	**4,454**	**24,571**	**32,558**	**44,527**
Operating expenses					
Charter hire, fuel and crew expenses	1,188	2,653	4,840	11,948	18,176
Employee expenses	4,438	5,693	13,050	19,112	25,097
Depreciation and ordinary amortisation	1,796	1,678	4,708	5,721	7,677
Multi-client amortisation	2,151	2,769	6,755	8,417	11,244
Impairment of long-term assets	0	0	3,167	9,228	17,286
Other operating expenses	1,436	2,283	4,966	8,255	10,137
Total operating expenses	**11,008**	**15,076**	**37,484**	**62,681**	**89,617**
Operating profit/ (loss)	**-997**	**-10,622**	**-12,913**	**-30,123**	**-45,090**
Financial income and expenses					
Interest income	58	66	128	162	217
Interest expense	-1,031	-768	-3,074	-2,558	-3,273
Net gains/(losses) of financial assets and liabilities	1,551	1,295	3,287	-3,995	-6,297
Net foreign currency income/(loss)	-1,342	-1,406	-3,179	-1,524	1,512
Net financial items	**-764**	**-813**	**-2,838**	**-7,915**	**-7,841**
Income/ (loss) before income taxes	**-1,761**	**-11,435**	**-15,751**	**-38,038**	**-52,931**
Income tax expense	-180	-371	-113	-316	-100
Income/ (loss) for the period	**-1,582**	**-11,064**	**-15,639**	**-37,722**	**-52,831**

Consolidated Statement of Comprehensive Income.

Amounts in USD 1 000	Q3 2017 Unaudited	Q3 2016 Unaudited	Year to date 2017 Unaudited	Year to date 2016 Unaudited	2016 Audited
Income/ (loss) for the period	**-1,582**	**-11,064**	**-15,639**	**-37,722**	**-52,831**
Oher comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	0	0	0	115	115
Net (loss)/gain on available-for-sale (AFS) financial assets	0	0	0	7,202	7,202
Oher comprehensive income	**0**	**0**	**0**	**7,317**	**7,317**
Total other comprehensive income/ (loss) for the period	**-1,582**	**-11,064**	**- 15,639**	**-30,406**	**-45,514**

Consolidated Statement of Financial Position.

Amounts in USD 1 000	30 September 2017 Unaudited	30 September 2016 Unaudited	31 December 2016 Audited
ASSETS			
Non-current assets			
Multi-client library	18,238	32,215	24,332
Other intangible assets	1,816	2,810	2,457
Property, plant and equipment	33,415	13,560	13,901
Assets under construction	6,726	30,319	28,255
Total non-current assets	**60,195**	**78,904**	**68,945**
Current assets			
Spare parts, fuel, anchors and batteries	7,251	8,621	7,854
Trade receivables	7,346	8,264	8,534
Other receivables	6,710	7,631	7,080
Cash and cash equivalents	22,986	15,718	14,038
Restricted cash	4,024	4,131	4,841
Total current assets	**48,317**	**44,365**	**42,347**
Total assets	**108,512**	**123,269**	**111,292**
EQUITY			
Capital and reserves attributable to equity holders			
Share capital, share premium and other paid-in equity	336,740	319,233	319,283
Other reserves	-1,617	901	-1,608
Retained earnings	-300,615	-272,377	-284,975
Total equity	**34,508**	**47,757**	**32,700**
LIABILITIES			
Non-current liabilities			
Provisions	20,994	19,045	19,140
Financial liabilities	1,849	2,368	4,668
Borrowings	31,367	34,001	31,636
Total non-current liabilities	**54,210**	**55,414**	**55,444**
Current liabilities			
Trade payables	6,037	6,649	6,672
Current tax liabilities	5,859	5,324	5,853
Other short term liabilities	7,605	7,930	10,372
Borrowings	292	195	251
Total current liabilities	**19,793**	**20,098**	**23,148**
Total liabilities	**74,003**	**75,512**	**78,592**
Total equity and liabilities	**108,512**	**123,269**	**111,292**

Consolidated Statement of Cash Flows.

Amounts in USD 1 000	Q3 2017 Unaudited	Q3 2016 Unaudited	YTD 2017 Unaudited	YTD 2016 Unaudited	2016 Audited
Net cash flow from operating activities					
Income/(loss) before income taxes	**-1,761**	**-11,435**	**-15,751**	**-38,038**	**-52,931**
Adjustments for:					
Withholding tax expenses	0	203	4	1,154	1,219
Total taxes paid	186	-322	115	-771	-522
Depreciation and ordinary amortisation	1,796	1,678	4,708	5,721	7,677
Multi-client amortisation and impairment	2,151	2,769	6,755	17,645	27,722
Impairment of other long term assets	0	0	3,167	0	808
Cost of share-based payment	31	59	31	195	245
Change in trade receivables	2,067	11,281	1,188	10,316	10,046
Change in inventories	-288	-66	603	3,133	3,900
Change in trade payables	2,418	-93	-635	-3,790	-3,767
Change in other working capital	-2,061	-5,142	1,943	-117	2,317
Financial gain on bond repayment	0	0	-836	0	0
Amortisation of interest	638	610	1,842	1,808	2,413
Net cash flow from operating activities	**5,177**	**-458**	**3,134**	**-2,744**	**-873**
Investing activities:					
Purchase of property, plant and equipment	-424	-1,361	-1,767	-2,711	-3,398
Investment in multi-client library and JIP test	-2,151	-3,566	-6,115	-9,306	-11,500
Sale of financial assets	0	0	0	1,375	1,375
Cash used in investing activities	**-2,575**	**-4,927**	**-7,882**	**-10,642**	**-13,523**
Financial activities:					
Financial lease payments - principal	-45	0	-142	249	141
Proceeds from new loan	0	466	8,500	0	0
Repayment/settlement of loan and FRA	-8,500	0	-10,454	-1,143	-1,143
Proceeds from rights issue	17,426	0	17,426	0	0
Payment of interest on bonds	-551	-584	-1,634	-1,751	-2,313
Cash used in/provided by financial activities	**8,330**	**-118**	**13,696**	**-2,645**	**-3,315**
Net change in cash	**10,932**	**-5,502**	**8,948**	**-16,031**	**-17,711**
Cash balance beginning of period	12,054	21,220	14,038	31,749	31,749
Cash balance end of period	22,986	15,718	22,986	15,718	14,038
Net change in cash	**10,932**	**-5,502**	**8,948**	**-16,031**	**-17,711**

Consolidated Statement of Changes in Equity.

Amounts in USD 1 000	Share capital share premium and other paid-in-capital	Foreign currency translation reserves	Available-for-sale reserve	Retained earnings	**Total equity**
Balance as of 1 January 2016	**319,038**	**-1,722**	**-7,202**	**-232,144**	**77,970**
Income/(loss) for the period	0	0	0	-15,451	-15,451
Other comprehensive income	0	0	7,202	0	7,202
Total comprehensive income	**0**	**0**	**7,202**	**-15,451**	**-8,249**
Cost of share-based payments	75	0	0	0	75
Balance as of 31 March 2016 (Unaudited)	**319,113**	**-1,722**	**0**	**-247,595**	**69,794**
Income/(loss) for the period	0	0	0	-11,209	-11,209
Other comprehensive income	0	115	0	0	115
Total comprehensive income	**0**	**115**	**0**	**-11,209**	**-11,094**
Cost of share-based payments	62	0	0	0	62
Balance as of 30 June 2016 (Unaudited)	**319,175**	**-1,607**	**0**	**-258,804**	**58,762**
Income/(loss) for the period	0	0	0	-11,064	-11,064
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**-11,064**	**-11,064**
Cost of share-based payments	59	0	0	0	59
Balance as of 30 September 2016 (Unaudited)	**319,233**	**-1,607**	**0**	**-269,868**	**47,757**
Income/(loss) for the period	0	0	0	-15,107	-15,107
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**-15,107**	**-15,107**
Cost of share-based payments	50	0	0	0	50
Balance as of 31 December 2016 (Audited)	**319,283**	**-1,607**	**0**	**-284,975**	**32,700**
Income/(loss) for the period	0	0	0	-10,464	-10,464
Other comprehensive income	0	-8	0	0	-8
Total comprehensive income	**0**	**-8**	**0**	**-10,464**	**-10,472**
Cost of share-based payments	-11	0	0	0	-11
Balance as of 31 March 2017 (Unaudited)	**319,272**	**-1,615**	**0**	**-295,439**	**22,218**
Income/(loss) for the period	0	0	0	-3,594	-3,594
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**-3,594**	**-3,594**
Cost of share-based payments	11	0	0	0	11
Balance as of 30 June 2017 (Unaudited)	**319,283**	**-1,616**	**0**	**-299,033**	**18,634**
Income/(loss) for the period	0	0	0	-1,582	-1,582
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**0**	**0**	**0**	**-1,582**	**-1,582**
Cost of share-based payments	31	0	0	0	31
Proceeds from shares issued	17,426	0	0	0	17,426
Balance as of 30 September 2017 (Unaudited)	**336,740**	**-1,617**	**0**	**-300,615**	**34,508**

Notes.

Accounting principles

These interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2016, which is available on www.emgs.com.

Segment reporting

EMGS reports its sales revenue as one reportable segment. The sales revenues and related costs are incurred worldwide.

The amounts below show sales revenues reported by geographic region.

Amounts in USD million	Q3 2017 Unaudited	Q3 2016 Unaudited	YTD 2017 Unaudited	YTD 2016 Unaudited	2016 Audited
Americas	**0.1**	0.0	0.6	4.7	5.4
Asia/Pacific	**0.0**	0.0	0.2	13.0	20.6
EAME	**9.9**	4.5	23.8	14.9	18.5
Total	**10.0**	**4.5**	**24.6**	**32.6**	**44.5**

Multi-client library

The multi-client library consists of electromagnetic data acquired through multi-client surveys, i.e. EMGS owns the data. The electromagnetic data can be licensed to customers on a non-exclusive basis. Directly attributable costs associated with multi-client projects such as acquisition costs, processing costs, and other direct project costs are capitalised.

Amounts in USD million	Q3 2017 Unaudited	Q3 2016 Unaudited	YTD 2017 Unaudited	YTD 2016 Unaudited	Year ended 2016 Audited
Opening carrying value	**18.9**	33.1	24.3	42.3	42.3
Additions	**1.5**	1.9	5.2	7.6	9.8
Amortisation charge	**-2.2**	-2.8	-6.8	-8.4	-11.2
Impairment	**0.0**	0.0	-3.2	-9.2	-16.5
Cash contribution from partners	**0.0**	0.0	-1.4	0.0	0.0
Closing carrying value	**18.2**	**32.2**	**18.2**	**32.2**	**24.3**

Disclaimer for forward-looking statements

This quarterly report 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 EMGS ASA and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words 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 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 EMGS 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. EMGS 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 EMGS ASA, any other company within the

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For further information, visit www.emgs.com, or contact:

HEGE AASEN VEISETH

CFO

Email: hveiseth@emgs.com

Phone: +47 992 16 743

EMGS Headquarters
Stiklestadveien 1
N-7041 Trondheim, Norway

Europe, Africa & Middle East
Karenslyst Allè 4 , 4th Floor
N-0278 Oslo, Norway

North & South America
16285 Park Ten Place, Suite 410
Houston, TX 77094, USA
T +1 281 920 5601

Asia Pacific
Unit E-15. 2-4, 15th Floor
East Wing
Rohas Perkasa
No. 9 Jalan P. Ramlee
50250 Kuala Lumpur
T +603 21 66 0613

emgs.com
emgs@emgs.com