

CALL FOR EXTRAORDINARY GENERAL MEETING

ELECTROMAGNETIC GEOSERVICES ASA

To the shareholders of Electromagnetic Geoservices ASA:

Notice is hereby given of an extraordinary general meeting of Electromagnetic Geoservices ASA (the **Company**). The meeting will be held at Karenslyst Allé 2, 0278 Oslo on

Friday 23 March 2018 at 10:00 (local time)

The extraordinary general meeting will be opened by Mimi Berdal, member of the board of directors of the Company (the **Board**).

Agenda:

1 Election of a chairperson of the meeting and one person to co-sign the minutes

The Board proposes that Mimi Berdal is elected as chairman of the meeting and that an individual of the attending shareholders is elected to co-sign the minutes together with the chairman of the meeting.

2 Approval of the notice and agenda

3 Approval of underwritten rights issue

The background for the proposed rights issue is further described in Schedule 1 to this calling notice, which also contains certain additional information.

The rights issue proposed under this item 3 and the convertible loan proposed under item 4 are interdependent resolutions. In the event that the convertible loan is not adopted, any resolution to approve the rights issue shall be considered null and void.

The Board proposes the following resolution:

- 1) The share capital shall be increased by a minimum of NOK 14,000,000 and a maximum of NOK 70,833,333, by the issuance of a minimum 14,000,000 and maximum 70,833,333 new shares, each having a face value of NOK 1 (the "New Shares").*

- 2) *The Board may decide the subscription price for the new shares within a range of a minimum of NOK 1.5 per share and a maximum of NOK 5 per share (the "Subscription Price"). The Board of Directors shall determine the Subscription Price based on market practice, taking into account the dilution by the actual number of New Shares*
- 3) *Shareholders as of end of 17 April 2018 (the "Inclusive Date") as registered with the VPS on 19 April 2018 (the "Record Date"), and who lawfully may receive subscription rights and New Shares without the Company having to file for registration pursuant to local laws and regulations (for the purposes of this item 3, "Eligible Shareholders") will receive preferential rights to subscribe for and be allotted the New Shares in proportion to their registered holdings of shares in the Company as of the Record Date. Transferable subscription rights will be issued to Eligible Shareholders. In case of any delay in the approval of the prospectus required in connection with the rights issue, these dates will be delayed accordingly as the Board may decide.*
- 4) *The New Shares must be subscribed from 20 April 2018 and no later than 4 May 2018 (the "Subscription Period"). In case of any delay in the approval of the prospectus required in connection with the rights issue, these dates will be delayed accordingly as the Board may decide.*
- 5) *A portion of the issue of the New Shares equal to a maximum amount equal to the NOK equivalent of USD 10 million is underwritten by Siem Investments Inc., Perestroika AS, and RWC European Focus Master Inc (the "Underwriters").*
- 6) *The underwriting is regulated by underwriting agreements entered into between the Company and the respective Underwriters on or about 5 March 2018 (the "Underwriting Agreements"). According to the Underwriting Agreements, each of the Underwriters have, severally, and not jointly, and on a pro rata up to the maximum amount undertaken by each of them, undertaken to subscribe for the New Shares not subscribed for during the Subscription Period. The underwriting obligation of each Underwriter does not include a guarantee for the payment by any subscriber or any other Underwriter of their subscription amount in the Rights Issue. The Underwriters will receive a guarantee commission of 1.5% of their guaranteed amount, subject to completion of the Rights Issue or, as the case may be, certain other events. Each Underwriter's obligation will be reduced on a share for share basis with the number of New Shares subscribed for in the Rights Issue and allocated to it.*
- 7) *Subscription of New Shares without Subscription Rights is not allowed. Holders of Subscription Rights may subscribe for a*

number of New Shares which exceeds the number of Subscription Rights held.

- 8) If not all Subscription Rights are validly exercised in the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed will have the right to be allocated remaining New Shares on a pro rata basis based on the number of subscription rights exercised by the subscriber. In the event that pro rata allocation is not possible, the Company will determine the allocation by lot drawing.*
- 9) Any remaining New Shares not allocated pursuant to the criteria set out in section (7) above will be subscribed by and allocated to the Underwriters to the extent the Underwriters have not fulfilled their underwriting obligations through subscription for shares in the Subscription Period, based on and in accordance with their respective underwriting obligations.*
- 10) Payment for New Shares shall take place no later than 9 May 2018 to the Company's share issue account no. 1503.27.95967. In case of any delay in the approval of the prospectus required in connection with the rights issue, this date will be delayed accordingly as the Board of Directors may decide.*
- 11) The New Shares entitle the holder to dividend as from the time of registration with the Norwegian Register of Business Enterprises.*
- 12) The estimated fees for the Company associated with the rights issue, including the underwriting commission, is approximately NOK 2.3 million.*
- 13) Section 4 of the articles of association shall be amended so as to reflect the share capital and the number of shares after the share capital reduction.*

4 Approval of convertible loan

The background for the proposed convertible loan is further described in Schedule 1 to this calling notice, which also contains certain additional information.

The convertible loan proposed under this item 4 and the rights issue proposed under item 3 are interdependent resolutions. In the event that the rights issue is not adopted, the convertible loan will not be put to a vote.

The Board proposes the following resolution:

- 1) *The Company shall issue a convertible bond loan (the “Loan”) with an aggregate principal issue amount of minimum USD 30,000,000 and maximum USD 32,500,000, consisting of a minimum of 300,000 and a maximum of 325,000 bonds, each with an initial par value of USD 100. The minimum investment in the Loan is USD 10,000 (corresponding to a minimum number of shares of 28,132), and multiples thereof (the “Minimum Investment”).*
- 2) *Shareholders as of end of the Inclusive Date as registered with the VPS on the Record Date, and who lawfully may receive an offer to subscribe for bonds under the Loan without the Company having to file for registration pursuant to local laws and regulations (for the purposes of this item 4, “Eligible Shareholders”) shall have a preferential right to subscribe for bonds under the Loan in proportion to their registered holdings of shares in the Company as of the Record Date. This preferential right is non-transferrable and conditional on the Eligible Shareholder holding a number of shares in the Company which corresponds (pro rata) to a minimum number of bonds equivalent to the Minimum Investment (rounded down to the nearest whole number of bonds). In case of any delay in the approval of the prospectus required in connection with the bond issue, these dates will be delayed accordingly as the Board may decide.*
- 3) *The Loan shall be subscribed for within the Subscription Period. In case of any delay in the registration of the prospectus required in connection with the Loan, the dates of the Subscription Period will be adjusted accordingly as the Board may decide.*
- 4) *Each bond under the Loan shall be subscribed for at par value. The interest rate shall be equal to 3M USD LIBOR plus a margin of 5.5%.*
- 5) *The Loan is fully underwritten up to the maximum amount of USD 32,500,000 by the Underwriters. The underwriting is regulated by the Underwriting Agreements. According to the Underwriting Agreements, each of the Underwriters have, severally, and not jointly, and on a pro rata basis and up to the maximum amount undertaken by each of them, undertaken to subscribe for bonds in the Loan not subscribed for during the Subscription Period. The underwriting obligation of each Underwriter does not include a guarantee for the payment by any subscriber or any other Underwriter of their subscription amount in the Loan. The Underwriters will receive a guarantee commission of 1.0% of their guaranteed amount, subject to completion of the Loan or, as the case may be, certain other events. Each Underwriter’s obligation will be reduced on a bond by bond basis with the number of bonds subscribed for under the Loan and allocated to it.*

- 6) *Oversubscription is allowed. In the event that all bonds are not subscribed for by Eligible Shareholders on a pro rata basis, bonds not subscribed for shall be allocated to oversubscribing Eligible Shareholders on a pro rata basis based on the number of shares in the Company they were the registered owner of at the Record Date. In the event that pro rata allocation is not possible, the Company will determine the allocation by lot drawing.*
- 7) *Any remaining bonds under the Loan not allocated pursuant to the criteria set out in section (6) above will be subscribed by and allocated to the Underwriters to the extent the Underwriters have not fulfilled their underwriting obligations through subscription for bonds in the Subscription Period, based on and in accordance with their respective underwriting obligations.*
- 8) *The Loan shall be paid to a designated account to be opened by the Company, or another person who, in accordance with the fully termed bond loan agreement to be prepared for the Loan, shall receive such payment. Payment shall be made within 9 May 2018. In case of any delay in the registration of the prospectus required in connection with the Loan, or any other delays which may otherwise occur in the ordinary course of establishing the Loan, this date will be delayed accordingly as the Board may decide.*
- 9) *Each bondholder under the Loan may at their discretion convert all or some of their bonds into ordinary shares of the Company in the period between the settlement date under the Loan and the date falling 60 business days prior to the maturity date (and in no event later than the date falling five years after the date of the extraordinary general meeting). The initial conversion price shall be the USD equivalent of 135% of the subscription price under the rights issue under item 3 based on the USD/NOK mid-exchange rate on the date of the extraordinary general meeting as published by the Norwegian Central bank on its webpage. The initial conversion price is subject to certain adjustment mechanisms, including adjustment for any dividends paid by the Company. The consideration for each new share is settled by way of a set-off against the nominal value of each bond converted. New shares issued as a result of conversion shall have full rights from the date the share capital increase is registered in the Norwegian Business Registry.*
- 10) *Each bondholder's rights in the event of changes to the Company's share capital, including in the event of right issues and share capital reductions, mergers, demergers and dissolution is further regulated in a term sheet attached to this calling notice as Schedule 2 (the "Term Sheet").*

11) The Loan will be based on Nordic Trustee's standard form convertible bond loan agreement as amended by the terms set out herein and in the Term Sheet.

12) The conversion right may not be separated from the Loan.

13) The terms and conditions of the Loan and each bond thereunder shall otherwise in all material respects be as set out in the Term Sheet and otherwise as determined at the discretion of the Board.

At the date of this calling notice, there are 91,428,874 shares outstanding in the Company. As of the date of this calling notice, the Company does not own any treasury shares.

At the Company's Extraordinary General Meeting, each share has one vote. A shareholder with shares registered through an approved share manager or custodian pursuant to section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares covered by the share management assignment/custodian arrangement provided that the shareholder within two business days before the Extraordinary General Meeting provides the Company with his name and address and presents confirmation from the share manager that the shareholder is the beneficial owner of the shares that are being managed or held in custody, and provided further that the Board does not disapprove such beneficial ownership after receipt of such notification.

Shareholders who wish to take part in the Extraordinary General Meeting must not later than two business days before the Extraordinary General Meeting, i.e. by 16:00. (Norwegian time) on 21 March 2018 either (i) register at the website: www.emgs.com using the pin code included in the cover letter; (ii) give notice to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway or (iii) give written notice e-mail: genf@dnb.no or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021Oslo, Norway. A registration form is attached hereto as Appendix 1.

A power of attorney for the shareholders who wish to grant a proxy to represent their shares at the extraordinary general meeting is attached hereto as Appendix 2.

Oslo, 2 March 2018

Sign

*Anne Øian
On behalf of the Independent Board*

Attachments:

Schedule 1: *Description of comprehensive refinancing*

Schedule 2: *Term sheet for proposed convertible bond loan*

Appendix 1: *Registration form*

Appendix 2: *Form of power of attorney*

Schedule 1

Description of comprehensive refinancing

As announced to the market in the stock exchange notification published by EMGS on 2 March 2018, the Company requires additional financing to be able to meet its financial obligations and secure and maintain shareholder values.

The Board strongly believes in the intrinsic value of the Company's technology, strong product offerings and unique position in the EM market. As a further strength, the Company has thoroughly demonstrated its commitment and ability to reduce costs; significant cost reductions have already brought the Company a long way towards a viable and attractive cost base. However, given the current market conditions and demand for the Company's services, additional financing is required.

An independent working group formed by the Board has, through discussions with the Company's three largest shareholders, assessed how such additional financing should be raised. Based on the recommendations from the working group, and extensive work by an independent board of directors of the Company (the "Independent Board"), which did not include the board members representing the three largest shareholders, the Independent Board concluded that EMGS' and the shareholders' interest are best served by a comprehensive refinancing of the Company (the "Comprehensive Refinancing").

The Comprehensive Refinancing consists of two elements;

- (i) a rights issue with gross proceeds of up to USD 12.5 million, whereof USD 10 million is underwritten by existing shareholders (the "Rights Issue"); and
- (ii) issuance of a fully underwritten convertible bond loan with a total nominal amount of up to USD 32.5 million (the "Convertible Bond").

The net proceeds from the Convertible Bond will be used to refinance the Company's outstanding bond issue *Electromagnetic Geoservi ASA 13/16 FRN C* (the "Existing Bond"). It is the view of the Board that there are several advantages to replacing the Existing Bond with the Convertible Bond, most notably that the Convertible Bond has a significantly lower free cash covenant (USD 2.5 million compared with USD 10.0 million under the Existing Bond) and a new maturity date (2023 compared with 2019 under the Existing Bond).

The Rights Issue will provide the Company with financing for general corporate purposes and allow the Company to continue its efforts to further develop its technology and products and secure future backlog.

The Comprehensive Refinancing and the resolution to call for an extraordinary general meeting was adopted at a meeting of the Board where board members representing major shareholders were considered partial and thus not present. The Comprehensive Refinancing is however supported by the Company's three largest shareholders, who are also the Underwriters.

It is the view of the Board that the Comprehensive Refinancing will provide the Company with a significantly improved runway, financial flexibility and stability, thereby increasing value creation for the benefit of the Company's shareholders.

The Company's latest annual accounts, directors' report and auditor's report are available for inspection at the Company's offices. Reference is made to Company's interim financial statements and stock exchange releases for developments after 31 December 2016.

Schedule 2

Term sheet for proposed convertible bond

Term Sheet	
	
Electromagnetic Geoservices ASA 5.5% senior unsecured convertible USD 32,500,000 bonds 2018/2023	
Issue Date: Expected to be 9 May 2018	
Issuer:	Electromagnetic Geoservices ASA, a Norwegian public limited liability company having its registered address at Stiklestadveien 1, 7041 Trondheim, Norway, registered with the Norwegian Register of Business Enterprises with the business registration number 984195486 and having LEI-code 5967007LIEEXZXI7OG55.
Group:	The Issuer with all its Subsidiaries from time to time (each a " Group Company ").
Bond Trustee:	Nordic Trustee AS.
Currency:	USD
Issue Amount:	USD 32,500,000
Settlement Date:	Expected to be 9 May 2018.
Maturity Date:	Five years after 9 May 2018.
Amortisation:	The Bonds shall be repaid in one payment at the Maturity Date.
Interest Rate:	The percentage rate per annum which is the aggregate of the Reference Rate plus the Margin.
Margin:	5.5 percent.
Reference Rate:	3 months USD LIBOR.
Interest Payment Date:	The last day of each Interest Period, the first Interest Payment Date being the date falling three months after the Settlement Date and the last Interest Payment Date being the Maturity Date.
Interest Periods:	Means, subject to adjustment in accordance with the Business Day Convention, the period between each Interest Payment Date.

Business Day:	Means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.
Business Day Convention:	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).
Default interest:	Interest Rate plus 3.00 % p.a.
Price:	100% of the Initial Nominal Amount.
Initial Nominal Amount:	Each Bond will have an Initial Nominal Amount of USD 100.
Minimum Investment:	The minimum permissible investment in the Bonds is USD 10,000, and integral multiples thereof.
Use of proceeds:	The Issuer will use the net proceeds from the Bond Issue to refinance the Issuer's outstanding senior unsecured callable bond issue 2013/2019 with NO 001 068253.7 (the " Existing Bond Issue ").
Status of the Bonds:	The Bonds will constitute senior unsecured debt obligations of the Issuer. The Bonds will rank at least <i>pari passu</i> with each other and with all other unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
Listing:	The Issuer shall within 6 months of the Settlement Date apply for the Bonds to be admitted to listing on the Exchange
Exchange:	Oslo Børs.
Representations and Warranties:	The Bond Agreement will include the Bond Trustee's standard Representations and Warranties.
Conversion Right:	Each Bondholder may convert its Convertible Bonds into ordinary shares of the Issuer (" Shares ") at the prevailing Conversion Price at any time from the Settlement date until the 60 th Business Day prior to the Maturity Date, or, if earlier, the tenth (10 th) Business Day prior to the date for redemption of the Bonds (the " Exercise Period ").
Initial Conversion Price:	The initial Conversion Price shall be the USD equivalent of 135 percent of the subscription price in the contemplated 2018 rights issue based on the USD/NOK middle rate exchange rate on the date of the extraordinary general meeting of the Issuer resolving the rights issue as published by Norges Bank (the Norwegian central bank) on their webpages.
Adjustment to the Conversion Price:	The Bond Agreement will include the short form version of the Bond Trustee's standard convertible provisions (to the extent applicable).
Dividend Adjustment:	Full dividend adjustment (for any distribution in cash or shares) through adjustment of the conversion price.
Share Settlement Option:	The Issuer may redeem the Bonds on the Maturity Date by exercising a Share Settlement Option with respect to all of the Bonds, but not some only, provided that the Shares are listed on the Oslo Stock Exchange and no Event of Default has occurred, by giving notice to the Bond Trustee

	<p>and the Bondholders not more than 60 nor less than 30 calendar days prior to the Maturity Date.</p> <p>The Issuer shall exercise the Share Settlement Option by:</p> <ul style="list-style-type: none"> a) issuing or transferring and delivering to the relevant Bondholder such number of Shares as is determined by dividing the aggregate principal amount of such Bondholder's Bonds by the Conversion Price in effect on the Valuation Date; b) making payment to the relevant Bondholder of an amount (the "Cash Settlement Amount") equal to the amount (if any) by which the principal aggregate amount of such Bonds exceeds the product of the Current Value of a Share on the Valuation Date and the whole number of Shares deliverable to such Bondholder in accordance with (a) above; and c) making or procuring payment to the relevant Bondholder in cash of any accrued and unpaid interest in respect of such Bonds up to the Maturity Date. <p>"Valuation Date" means the date falling three Dealing Days prior to the Maturity Date.</p> <p>"Current Value" in respect of a Share on the Valuation Date shall mean 99% of the average of the Volume Weighted Average Price of the Share for the twenty consecutive Dealing Days ending on the Valuation Date.</p>
Issuer's Call Option:	<p>The Issuer may at any time after the date falling three years after the Settlement Date with a twenty (20) Business Days' notice period, call all or, at the discretion of the Issuer, part of the outstanding Bonds for cash at 101% of par value plus accrued interest. In the event of a partial call, such redemption shall be carried out pro-rata between the Bonds in accordance with the applicable regulations of the CSD.</p> <p>Each Bondholder may within the Exercise Period elect to exercise its Conversion Right within 14 (fourteen) calendar days after having received the Issuer's call option notice.</p>
Clean-up Call	<p>The Issuer may at any time during the term of the Bonds, provided that 90% or more of the original issued Bonds shall have been redeemed or converted into Shares call all, but not some only, of the outstanding Bonds at par value plus accrued interest. Should the Issuer exercise the Call Option, the Bond Trustee and the Bondholders must be informed of this (the Bondholders in writing via the Securities Depository) no later than 20 Business Days before the date of redemption. Each Bondholder may within the Exercise Period elect to exercise its Conversion Right after having received the Issuer's clean up call option notice.</p>
Cash Settlement Option:	<p>The obligation of the Issuer to issue Shares on the exercise of any Bondholder's Conversion Rights may, at the sole discretion of the Issuer, be settled, in whole or in part, by cash payment. The cash settlement payment shall be the product of (i) the number of Shares otherwise deliverable under the Convertible Bond and in respect of which the Issuer has elected such cash settlement option and (ii) the average of the Volume Weighted Average Price for the fifteen consecutive Dealing Days immediately after the date the Issuer elects to exercise its cash</p>

	settlement option in respect of the relevant Convertible Bond.
Change of Control Put Option:	<p>If a Change of Control Event has occurred, each Bondholder shall at any time during the period commencing on the date on which a Change of Control Event occurs and ending sixty (60) calendar days following such date or, if later, sixty (60) calendar days period following the notification of a Change of Control Event, be entitled at its option to (at each Bondholder's discretion) either:</p> <ul style="list-style-type: none"> a) require early redemption of its Bonds (put option) at par value plus accrued interest; or b) convert Bonds at the Change of Control Conversion Price, as set out below (adjusted to reflect any previous adjustment to the Conversion Price (if applicable)): $\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times \text{c}/\text{t}))$ <p>Where</p> <p>COCCP: Change of Control Conversion Price</p> <p>OCP: current Conversion Price</p> <p>CP: Conversion Premium, being the percentage by which the initial Conversion Price exceeds the Volume Weighted Average Price of the Share for a period of 15 Dealing Days ending on the Settlement Date.</p> <p>c: number of days from and including the date the Change of Control Event occurs to but excluding the Maturity Date</p> <p>t: number of days from and including the Settlement Date to but excluding the Maturity Date</p> <p>The number of Shares required to be issued shall be determined by dividing the principal amount of the Bonds by the Change of Control Conversion Price in effect on the relevant conversion date.</p> <p>A Change of Control Event shall not apply in the event of a consolidation, amalgamation or merger of the Issuer with any corporation or in case of a sale or transfer of all or substantially all of the assets of the Issuer which would have similar effect as a merger (a "Merger") if (a) the Issuer is the continuing corporation or (b) the Issuer, in the reasonable opinion of the Bond Trustee, has taken necessary steps to ensure that each Bond then outstanding will be convertible into the class and amount of shares and other securities, property or cash receivable upon such consolidation, amalgamation or merger by a holder of the number of Shares which would have become liable to be issued upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation or merger.</p>
Change of Control Event:	means an event whereby:

	<p>(i) any group or person gains control, directly or indirectly, over more than 50% of the Shares and/or voting capital of the Issuer; or</p> <p>(ii) the shares of the Issuer are de-listed from Oslo Børs.</p>
Financial reporting:	The Issuer shall publish (i) audited annual financial statements in accordance with IFRS and (ii) unaudited interim financial statements in respect of each quarterly financial reporting period.
General undertakings:	<p>The following general undertakings shall apply:</p> <p>(i) <i>No merger or other business combination or corporate reorganization of the Issuer if such transaction would have a Material Adverse Effect.</i></p> <p>(ii) <i>No de-merger or corporate reorganization involving a split of the Issuer if such transaction would have a Material Adverse Effect.</i></p> <p>(iii) <i>No material change to the general nature of the business of the Issuer if this would have a Material Adverse Effect.</i></p> <p>(iv) <i>No disposal of all or a substantial part of the assets or operations of the Issuer unless (a) such transaction is on arms' length terms and (b) would not have a Material Adverse Effect.</i></p> <p>(v) <i>No transactions with related parties unless on arms' length terms.</i></p> <p>(vi) <i>No disposals of Material Subsidiaries</i></p> <p>(vii) <i>No restrictions on subsidiaries' distributions</i></p> <p>(viii) <i>No change of type of organization or jurisdiction of incorporation of Issuer or any Material Subsidiary.</i></p> <p>(ix) <i>Compliance with applicable laws.</i></p> <p>(x) <i>No financial assistance outside ordinary course of business</i></p> <p>(xi) <i>Adequate insurance</i></p> <p>(xii) <i>Listing on Oslo Børs to be maintained</i></p> <p>(xiii) <i>No Financial Indebtedness other than Permitted Financial Indebtedness.</i></p> <p>(xiv) <i>Negative pledge on multi-client library.</i></p> <p>"Material Adverse Effect" means material adverse effect on (a) the Issuer's ability to perform and comply with its obligations under the Finance Documents or (b) the validity or enforceability of the Finance Documents.</p> <p>"Permitted Financial Indebtedness" means:</p> <p>(a) Financial Indebtedness incurred under this Bond Agreement;</p> <p>(b) Any financing by banks of receivables for services or products sold by Group Companies for working capital purposes;</p> <p>(c) Any borrowings pursuant to a USD 10 million Revolving Credit Facility;</p> <p>(d) Any utilizations made of a USD 20 million Guarantee Facility;</p> <p>(e) Any indemnity issued in connection with bid and performance guarantees issued by banks to customers related to a contract to be performed by a Group Company and/or other guarantees issued in the ordinary course of business not exceeding USD 5 million in the aggregate;</p> <p>(f) Any Intercompany Loans, provided that such Intercompany Loans in case of default will be fully subordinated the Bonds;</p> <p>(g) Any seller's credit and retention of title arrangement (No.: "salgs pant") in the ordinary course of business (including in connection with credit purchase of goods and services);</p>

	<ul style="list-style-type: none"> (h) Any Financial Indebtedness which is fully subordinated to the Bonds; (i) Any Permitted Hedging Obligation; (j) Any other Financial Indebtedness not exceeding USD 10 million in the aggregate; (k) Any Financial Indebtedness under the Existing Bond until the Existing Bond has been redeemed; (l) Any refinancing of any of the above with Financial Indebtedness permitted under (a) to (j), provided that such refinancing is on no more onerous terms for the relevant Group Company.
Financial Covenants:	<p>The Issuer undertakes at all times to maintain Cash and Cash Equivalents of no less than USD 2,500,000.</p> <p>"Cash and Cash Equivalent" means on any date, the aggregate of the equivalent in USD on such date of the then current market value of:</p> <ul style="list-style-type: none"> (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an acceptable bank; and (b) time deposits with acceptable banks and certificates of deposit issued, and bills of exchange accepted, by an acceptable bank, <p>in each case, to which any Group Company is beneficially entitled at that time and to which any such Group Company has free and unrestricted access and which is not subject to any Encumbrance.</p> <p>An "acceptable bank" for this purpose is:</p> <ul style="list-style-type: none"> (a) a commercial bank, savings bank and trust company which has a rating of A- or higher by Standard & Poor's, Moody's or a comparable rating from a nationally recognised credit ranking agency for its long-term debt obligations; or (b) a bank or financial institution which is authorised to carry on banking business in Norway. <p>The financial covenant will apply at all times and will be tested on a quarterly basis, to be calculated on 31 March, 30 June, 30 September and 31 December each year and reported in connection with the corresponding interim and annual reports.</p>
Event of Default:	Standard Event of Default provisions applicable to the Issuer and Material Subsidiaries pursuant to the Bond Terms, with a cross default threshold of USD 1.5 million (or equivalent thereof in any other currency).
Material Subsidiary	<p>means:</p> <ul style="list-style-type: none"> (a) any Subsidiary whose total consolidated assets represent at least 10 % of the total consolidated assets of the Group, or (b) any Subsidiary whose total consolidated net sales represent at least 10 % of the total consolidated net sales of the Group, or

	<p>(c) any other Subsidiary to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the relevant date,</p> <p>always provided that Subsidiaries not being a Material Subsidiary shall in aggregate not exceed 20 % of the consolidated turnover, gross assets or nets assets of the Group (as the case may be).</p>
Tax gross up:	The Issuer shall not be liable to gross-up any payments in relation to the Finance Documents by virtue of withholding tax, public levy or similar taxes.
Bond Terms:	<p>The standard Nordic Bond Terms for convertible bonds will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Bond Terms, the provisions of the Bond Terms shall prevail.</p> <p>By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.</p> <p>The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' Meetings/Written Resolutions and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein.</p>
Securities Depository:	The Bonds will be registered in Verdipapirsentralen ASA (the " CSD ")
Approvals:	The issuance of the Bonds shall be subject to approval by the general meeting and the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.
Market Making:	No market-maker agreement has been entered into for the issuance of the Bonds.
Repurchase of Bonds:	The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion.
Terms of subscription:	Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholder, who will execute and deliver relevant application forms prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers, such that

	<p>they thereby will become bound by the Bond Terms. The Bond Terms specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.</p> <p>The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.</p>
Subscription Restrictions:	<p>The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.</p> <p>The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Form. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.</p>
Transfer Restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none"> (a) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. (b) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Agreement provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Subscription	<p>Eligible Shareholders (as further described and defined in calling notice to the EGM of the Issuer to be held for the purpose of approving the bond issue) will have a preferential right to subscribe for the Bonds. Oversubscription is allowed.</p> <p>Bonds not subscribed for will be allocated in accordance with underwriting agreements entered into for that purpose.</p>
Governing Law:	Norwegian law.



Ref no:

PIN code:

**Notice of Extraordinary
General Meeting**

An Extraordinary General Meeting of Electromagnetic Geoservices ASA will be held on 23 March 2018 at 10:00 Norwegian time at Karenslyst Allé 2, 0278 Oslo, Norway

If the above-mentioned shareholder is an enterprise, it will be represented by:

Name of enterprise's representative
(To grant a proxy, use the proxy form below)

Notice of attendance

The undersigned will attend the Extraordinary General Meeting on 23 March 2018 and vote for:

		Own shares
		Other shares in accordance with enclosed Power of Attorney
A total	of _____	Shares

This notice of attendance must be received by DNB Bank ASA no later than 16:00 Norwegian time on 21 March 2018.

Notice of attendance may be sent electronically through the Company's website www.emgs.com or through VPS Investor Services. To access the electronic system for notification of attendance or to submit your proxy, through the Company's website, the above-mentioned reference number and PIN code must be stated.

Notice of attendance may also be sent by e-mail: genf@dnb.no, or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

_____	_____	_____
Place	Date	Shareholder's signature
(If attending personally. To grant a proxy, use the form below)		

Appendix 2



Proxy (without voting instructions)

Ref no:

PIN code:

This proxy form is to be used for a proxy without voting instructions. To grant a proxy with voting instructions, please go to page 2.

If you are unable to attend the Extraordinary General Meeting in person, this proxy may be used by a person authorised by you, or you may send the proxy without naming the proxy holder, in such case, the proxy will be deemed to be given to the Chair of the Board of Directors or a person authorised by him.

The proxy form should be received by DNB Bank ASA, Registrar's Department no later than 16:00 Norwegian time on 21 March 2018.

The proxy may be sent electronically through Electromagnetic Geoservices ASA's website <http://www.EMGS.com> or through VPS Investor Services. It may also be sent by e-mail: genf@dnb.no. Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned _____
hereby grants (tick one of the two):

☐ the Chairman of the Board of Directors (or a person authorised by him), or

☐ _____
(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Electromagnetic Geoservices ASA on 23 March 2018.

_____	_____	_____
Place	Date	Shareholder's signature
		(Signature only when granting a proxy)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.

Proxy (with voting instructions)

Ref no:

PIN code:

This proxy form is to be used for a proxy with voting instructions. If you are unable to attend the Extraordinary General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorised by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chair of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department, no later than 16:00 Norwegian time on 21 March 2018. It may be **sent by e-mail: genf@dnb.no** /Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned: _____
hereby grants (tick one of the two):

☐ the Chair of the Board of Directors (or a person authorised by him), or

☐ _____
Name of proxy holder (in capital letters)

a proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Electromagnetic Geoservices ASA on 23 March 2018.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off); this will be deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. In such case, the proxy holder will vote on the basis of his reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Agenda Extraordinary General Meeting 23 March 2018	For	Against	Abstention	At proxy's discretion
Election of chairman of the meeting and a person to co-sign the minutes of meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the notice and agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of fully underwritten rights issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of convertible loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place _____ Date _____ Shareholder's signatur
(Only for granting proxy with voting instructions)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.