

**EMGS: Announcement of terms of Rights Issue and the Bond Issue**

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Reference is made to the press release published by Electromagnetic Geoservices ASA ("EMGS" or the "Company") dated 2 March 2018 wherein it was announced that the Independent Board proposed the Comprehensive Refinancing; consisting of the Rights Issue (raising gross proceeds of between USD 10.0 and 12.5 million, whereof USD 10.0 million is underwritten) and the Bond Issue (raising gross proceeds of USD 32.5 million, fully underwritten).

Reference is further made to the EGM of the Company held on 23 March 2018, wherein the Comprehensive Refinancing was approved by the Company's shareholders.

The Independent Board has today approved the final terms of the Rights Issue.

The Rights Issue will comprise an offering of a minimum of 31,632,654 and a maximum of 39,540,816 new shares, at a subscription price of NOK 2.45, representing a discount to the theoretical ex-rights price (TERP) of approximately 10 per cent based on the Company's average closing share price of NOK 2.842 for week 15 and the maximum number of new shares to be issued.

The gross proceeds of the Rights Issue will be used for general corporate purposes.

The Rights Issue and the Bond Issue will be carried out on the basis of a prospectus (the "Prospectus") to be approved by the Financial Supervisory Authority of Norway. The Prospectus is expected to be published on or about 20 April 2018. Any subscription for shares in the Rights Issue and / or bonds in the Bond Issue should only be made on the basis of the Prospectus.

The Rights Issue

The Rights Issue Subscription Rights (as defined below) will be listed and tradable on Oslo Børs under the ticker "EMGS S" on or about 20 April 2018 at 09:00 CET. Assuming listing takes place on 20 April 2018, the Subscription Rights will be tradable until 2 May 2018 at 16:30 CET.

The Rights Issue will be directed towards the shareholders of the Company as of 17 April 2018 (the "Inclusive Date"), as registered in the Norwegian Central Security Depository (VPS) (the "CSD") on 19 April 2018 (the "Record Date") who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions, other than Norway, that require any filing, registration or similar action (the "Rights Issue Eligible Shareholders").

Each Rights Issue Eligible Shareholder will be granted 0.43247 subscription rights (the "Rights Issue Subscription Rights") for every one (1) share in the Company registered as owned in the CSD on the Record Date. One Rights Issue Subscription Right will, subject to applicable securities law, give the holder the right to subscribe for and be allocated one new share in the Company in the Rights Issue. Acquired Rights Issue Subscription Rights will give the same right to subscribe for and be allocated new shares as Rights Issue

Subscription Rights held by Eligible Shareholders on the basis of their registered holdings as of the Record Date. Oversubscription is allowed. Subscription without Rights Issue Subscription Rights is not permitted.

A portion of the Rights Issue 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 (each an "Underwriter" and, together, the "Underwriters"), all major shareholders in the Company.

The underwriting is regulated by underwriting agreements entered into between the Company and the respective Underwriters on or about 8 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 per cent 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.

The Rights Issue Subscription Rights are expected to have an economical value. Please note that Rights Issue Subscription Rights that are not used to subscribe for new shares before the end of the Subscription Period or sold before 16:30 CET on 2 May 2018 will lapse without compensation and consequently be of no value. Holders of Rights Issue Subscription Rights (whether granted or acquired) should note that subscriptions for new shares must be made in accordance with the procedures set out in the Prospectus.

The Bond Issue

The Bond Issue is directed towards shareholders in the Company as of the Inclusive Date, as registered in the CSD on the Record Date) who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions, other than Norway, that require any filing, registration or similar action and (the "Bond Issue Eligible Shareholders"). This subscription right is non-transferrable and conditional on the Bond Issue Eligible Shareholder holding a number of shares in the Company which corresponds (pro rata) to a minimum number of bonds equivalent to a minimum investment (rounded down to the nearest whole number of bonds) of USD 10,000. To be able to meet this minimum investment threshold, shareholders will need to hold a minimum of 28,132 shares in the Company. Shareholders who wish to participate in the Bond Issue and do not currently meet this threshold will need to buy additional shares in the marketplace at the latest within 17 April 2018.

The conversion price for the convertible bonds to be issued under the Bond Issue is based on the subscription price in the Rights Issue. With the subscription price determined by the Independent Board, the conversion price for the convertible bonds will be USD 0.42677 per share (corresponding to NOK 3.30750).

Oversubscription is permitted. Subscription without being a Bond Issue Eligible Shareholder is not permitted.

The Bond Issue is fully underwritten up to the maximum amount of USD 32.5 million 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 Bond Issue 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 Bond Issue. The Underwriters will receive a guarantee commission of 1.0 per cent of their guaranteed amount, subject to completion of the Bond Issue 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 Bond Issue and allocated to it.

The convertible bonds issued under the Bond Issue will have a subscription price of USD 100 per bond, equal to the par value of each convertible bond.

The Company's shares will be traded exclusive of the right to receive Rights Issue Subscription Rights and the right to subscribe for convertible bonds under the Bond Issue on 18 April 2018.

DNB Registrar's Department acts as receiving agent in connection with the Rights Issue and the Bond Issue. Advokatfirmaet Wiersholm AS acts as legal advisor to the Company.

For further information, please contact:

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EMGS operates on a worldwide basis with offices in Trondheim, Oslo, Houston, Villahermosa, Rio de Janeiro and Kuala Lumpur.

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