



## **PRESS RELEASE**

**11 March 2009**

### **Offshore Hydrocarbon Mapping plc (“OHM” or “the Group”)**

#### **OHM announces revenue growth.**

In advance of the announcement of the Group’s results for the half year to 28 February 2009, due to be announced on 23rd April 2009, Offshore Hydrocarbon Mapping is providing the following trading update.

Revenues for the first half year of the year to February 28<sup>th</sup> 2009 are expected to be in the region of approximately £6.1 million, an increase of 30% over the corresponding period last year. This growth has been driven by an increase in demand for CSEM services and data and by strong growth in the rock physics driven seismic inversion services provided by the Group’s Rock Solid Images company.

Recently announced cost reductions will not take full effect until the second half of FY2009 though there are a number of extraordinary costs associated with this restructuring which will be recognised in the first half accounts. Accordingly the group expects a loss before tax, after restructuring costs, of no more than £5.8 million for the first half of the current financial year.

The Group’s cash balance at the 28<sup>th</sup> of February was £2.3 million and the Group’s borrowing facilities amounting to US\$ 3 million remain untouched.

Overall, our restructuring exercise is nearing completion with the steps taken reducing annualised fixed costs by an estimated £13 million, without materially impacting on the range and quality of services that the Group can deliver. This programme has been undertaken to adjust the Group’s cost structure to the challenging environment prevailing in the oil services market. While the Group believes the long term fundamentals of the oil industry remain sound, prevailing lower oil prices have driven oil and gas companies to reduce spending and delay work programs which will inevitably continue to impact on work programs for rest of FY2009.

As part of the restructuring there have been some changes in the management team. Richard Cooper is promoted to Group President taking on responsibility for the running of the group’s businesses. Dr Anthony Greer is promoted to manage OHM Ltd, taking on

responsibility for the day to day running of the CSEM business line. Dave Pratt will continue as Chairman of the Group.

The Rock Solid Images business line which undertakes advanced analysis of seismic and well log data continues to perform well with a strong backlog extending well into the Group's second half year. Recently introduced workflows which are designed to provide information to allow increased production from unconventional shale plays are now creating industry interest adding to the Group's backlog.

Positive progress has been made in CSEM adoption with five new clients added within the half year period. WISE, the group's latest product which enhances CSEM data through advanced combination with seismic information to provide insights into rock and fluid properties has also just completed its first commercial project. Industry support for this initiative continues to grow with new oil companies in the process of joining the WISE research consortium.

"Despite the demanding environment in which we find ourselves, we have elements of our Group which are seeing record demand for their services. Historically, downturns in the geophysical industry have seen oil companies invest in more advanced analysis to increase the value of their existing data and this plays strongly into the hands of some of our business lines. Recent exploration success predicted by OHM's CSEM work and encouraging results from pilot programs conducted over the last twelve months should support the ongoing adoption of the technology providing work opportunities for our vessels, OHM Leader and OHM Express." said Richard Cooper, Group President.

"New analysis routines arising from the WISE research group are delivering unparalleled insights into formation rock and fluid properties and we are pleased that its first commercial project has exceeded client expectations. The exciting results from WISE support our view that CSEM will deliver its maximum value when closely integrated with seismic and other data types. Indeed the addition of CSEM significantly enhances the information content of the seismic data. Offshore Hydrocarbon Mapping has a very clear lead in such data integration driven by our vision of delivering quantitative interpretation through complete sensing of subsurface physical properties."

Dave Pratt, Chairman, added "Overall trading conditions remain quite mixed and significant uncertainties exist around our clients' budgets for the year ahead. In these circumstances, we welcome the upturn in demand for our services that we have seen in our first half year. The steps we have taken in February position the company to generate cash at significantly lower revenue and margin levels than previously required. This puts the business on a firmer footing more able to weather the difficult times should they materialise whilst ready to respond to our clients needs. We are now focused on building the order book necessary to meet this cash generative goal."

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