



Science behind the image

Offshore Hydrocarbon Mapping plc

PRESS RELEASE

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Trading update for six months to 28 February 2007

Further Positive Momentum

Offshore Hydrocarbon Mapping (AIM:OHM) ("OHM" or "the Company") is pleased to announce further positive momentum during the six months to 28th February 2007: New client enquiries remain at high levels, surveys have been completed successfully in Norway, UK, West Africa, and the South Atlantic and the Company has made further enhancements to its survey equipment, vessel chartering capacity and data processing offering.

Revenues from contract CSEM survey services, which are undertaken directly for specific clients, have exceeded the Company's plan. Data library sales, which are generated from sales to multiple clients of data gathered by the Company in anticipation of upcoming licensing rounds, have suffered due to a postponement by a year of the 20th Norwegian licensing round. The Norwegian authorities announced the postponement subsequent to data acquisition on the Company's data library survey programme. The data gathered is of high quality and its value to the industry will be unaffected by this delay.

The Company took the opportunity in the half year to deploy upgrades to its receiving equipment. Teething problems with these upgrades resulted in some technical downtime which adversely impacted on the profitability of two of its surveys. The upgrades are now fully functional and have resulted in improved receiver performance and reliability.

During the half year a competitor, EMGS, commenced an action against the Company in the High Court alleging that the Company had infringed EMGS's intellectual property rights. OHM takes stringent measures to ensure that it does not infringe any valid third party intellectual property rights in providing any of its services. The Company has submitted evidence to the Court and has applied for the action to be struck out.

Turnover has continued to grow in the first half of 2007 and, after investment in data library surveys and capital expenditure in the period the Company's cash balance, at £4.8 million is substantially ahead of the cash position at the 2006 year end. The Company expects to report an increased loss for the period, (compared to the 6 months period to 28 February 2006), mainly due to the effect of reduced data library sales, the receiver upgrade, and the ongoing costs of managing IP issues.

Commenting on the first half performance Dave Pratt, Chief Executive Officer said:

"We are pleased with the continued progress in the first half of the year and continue to welcome new exploration companies to the list of adopters of the CSEM technology. If our data library sales had not been delayed by the postponement of the Norwegian licensing round this could have been an exceptional period. This delay does, however, offer us the opportunity to gather further data around some of the promising prospects that we have identified in our work to date.

The second half of 2007 will bring further development milestones for the Company. Our new data processing and analysis software, OHMVision, will be formally launched in April. This product will allow OHM to build further on its commanding lead in imaging and analysing CSEM data. Our new, purpose designed CSEM vessel, OHM Express, remains on schedule to commence operations in late May and should allow us to make significant efficiency advances in our offshore operations. The vessel's first surveys will be on shallow water prospects in the North Sea."

The Company expects to report its interim figures on 19th April.

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Notes to Editors

Controlled Source Electro-Magnetic imaging (CSEM) is potentially the most important new technology in the field of offshore oil & gas exploration since the advent of 3D

seismic some twenty years ago. CSEM is an innovative offshore geophysical technique, employing electromagnetic remote-sensing technology to detect the presence and extent of hydrocarbon accumulations below the seabed.

The CSEM survey uses a dipole source that is towed just above the seafloor to transmit an electromagnetic field into the earth. This field is modified by the presence of subsurface resistive layers and these changes are detected and logged by an array of receivers placed on the seabed. Because hydrocarbon-bearing formations are highly resistive compared with surrounding formations, a CSEM survey can indicate the presence of oil and gas in offshore situations. CSEM imaging can significantly reduce the risk of drilling dry exploration wells creating considerable value for oil & gas explorers.

The technique was first used offshore Angola in 2000 and has since become a key deepwater exploration tool for the major oil companies. Very high success rates have been quoted by these companies, particularly when the results of a CSEM survey have been integrated with seismic interpretation.

Offshore Hydrocarbon Mapping plc listed on London's Alternative Investment Market in March 2004.