



Science behind the image

PRESS RELEASE

19 April 2007

Offshore Hydrocarbon Mapping plc

Interim results for the six months ended 28 February 2007

Offshore Hydrocarbon Mapping plc (“OHM” or “the Company”), the AIM traded provider of remote electromagnetic sensing services designed to detect the presence of offshore oil and gas, today announces its interim results for the six months ended 28 February 2007.

Highlights:

- Revenues of £7.6 million up 70% on the preceding half year
- Cash balance of £4.7 million
- Successful placing of 1.5 million new ordinary shares
- 5 year charter of OHM Express
- OHMVision software suite launched

Commenting on the results, OHM’s Chairman Pierre Jungels said:

“Market adoption of CSEM technology is now accelerating with most serious offshore explorers either using the technique or analysing in depth the value of using it.

I believe that it is only a matter of time before shareholders and licensing authorities will expect exploration teams to automatically consider using CSEM data in addition to their more familiar 3D seismic.”

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Offshore Hydrocarbon Mapping plc

Chairman's Statement

Highlights

- Revenues of £7.6 million up 70% on the preceding half year
- Cash balance of £4.7 million
- Successful placing of 1.5 million new ordinary shares
- 5 year charter of OHM Express
- OHMVision software suite launched

This first half year to 28 February 2007 has been one of significant progress by your company.

Market Adoption

Market adoption of CSEM technology is now accelerating with most serious offshore explorers either using the technique or analysing in depth the value of using it. With this continued adoption your company has grown its revenues by 70% over those of the preceding half year.

We see clear signs that growth is accelerating and we believe that our estimates for market size of around \$700 million per year, talked about at our IPO, may be conservative.

Successful Placing of New Ordinary Shares

In response to this increasing market demand we raised successfully a net £1.8 million in a placing of 1.5 million new ordinary shares which has in turn allowed us to prepare the ground for a third crew by recruiting and training staff and ordering key necessary long lead items of equipment.

5 Year Charter of OHM Express

During the period your Board decided to move some way from complete reliance on spot charters for boats and invest in a long term contract for a boat that is designed specifically to carry and deploy rapidly our survey equipment, and that has the capability to operate safely and efficiently in rougher waters. This vessel, the OHM Express, will be delivered to our operations team in this quarter and already has a considerable backlog of work in the North Atlantic.

Research and Development

The investment we have made in Research and Development continues the evolution of the CSEM technique and enhances our offering to clients.

We now have a clear and recognised technological lead. We offer the only credible shallow water solution for CSEM surveying and have developed the ability to work in complex geological settings, as demonstrated by the published results of our work in the North Falkland basin.

We have widened the technique to mapping salts and basalts to discover or improve the seismic imaging of underlying sedimentary sequences. We have strong pre-funding for a data library project West of Britain, using this advanced application.

We have launched OHMVision, a suite of software which we firmly believe is the best available for processing and interpreting CSEM data. This is demonstrated amply by the number of clients who ask us to process and interpret data acquired by other contractors.

Offshore Hydrocarbon Mapping plc

Chairman's Statement (*Continued*)

Financial

The results for the accounting period to 28 February 2007 show revenue of £7.6 million (2006 - £5.9 million) and a pre tax loss of £1.2 million, (2006 - £0.8 million) principally due to the postponement by the Norwegian authorities of an Offshore Exploitation Licensing Round which has deferred expected data library sales and some technical downtime on a survey for testing new equipment. Net cash inflow was £1.3 million (2006 - £0.4 million inflow). The Group's cash balance at 28 February 2007 was £4.7 million compared to a balance at the start of the half year of £3.4 million.

Following the period end, emgs dropped its patent infringement action against Offshore Hydrocarbon Mapping and paid £50,000 towards the Company's costs of defending the action.

No interim dividend is declared.

The Company has adopted International Financial Reporting Standards in preparing the interim accounts and a reconciliation to figures previously reported under UK GAAP has been included in the appendix.

The Company's auditors, BDO Stoy Hayward LLP, have carried out an independent review of the interim accounts and notes.

Future prospects

All of the above, taken together with the weight of endorsements coming from early adopters of the CSEM technique such as ExxonMobil and Shell is hugely encouraging. In its widely distributed Technology report of January 2007, Shell wrote "the technique is already paying off: it has allowed Shell and its partners to make several deep water discoveries". Given this weight of evidence, I believe that it is only a matter of time before shareholders and licensing authorities will expect exploration teams to automatically consider using CSEM data in addition to their more familiar 3D seismic.

Again, none of this progress of your company could have been achieved without the dedication and hard work of your management team and all staff.

Dr. Pierre Jungels CBE
Chairman

Offshore Hydrocarbon Mapping plc

Condensed Group Income Statement

	Note	Six months to 28 February 2007 (Unaudited) £'000	Six months to 28 February 2006 (Unaudited) £'000	Year to 31 August 2006 (Unaudited) £'000
Revenue		7,643	5,940	10,422
Cost of sales		6,941	4,918	9,059
Gross profit		<u>702</u>	<u>1,022</u>	<u>1,363</u>
Administrative expenses		1,964	1,791	2,808
Other expenses - loss on disposal of fixed assets		53	150	301
Group operating loss		<u>(1,315)</u>	<u>(919)</u>	<u>(1,746)</u>
Finance income		67	81	168
Loss before taxation		<u>(1,248)</u>	<u>(838)</u>	<u>(1,578)</u>
Income tax expense	3	(53)	(25)	(88)
Loss for the period		<u>(1,301)</u>	<u>(863)</u>	<u>(1,666)</u>
(Loss)/earnings per ordinary share				
Basic	7	(4.23) p	(2.87) p	(5.54) p
Diluted	7	<u>(4.23) p</u>	<u>(2.87) p</u>	<u>(5.54) p</u>

All items dealt with in arriving at the losses stated above relate to continuing activities.

All recognised gains and losses in the current and prior periods are included in the Income Statement.

Offshore Hydrocarbon Mapping plc

Condensed Group Balance Sheet

	Note	At 28 February 2007 (Unaudited) £'000	At 28 February 2006 (Unaudited) £'000	At 31 August 2006 (Unaudited) £'000
Assets				
Non-current assets				
Intangible assets - multi client data library	4	1,575	340	798
- software	4	189	40	147
- patent costs	4	246	148	176
		<u>2,010</u>	<u>528</u>	<u>1,121</u>
Plant and equipment		<u>2,209</u>	<u>3,611</u>	<u>2,791</u>
		<u>4,219</u>	<u>4,139</u>	<u>3,912</u>
Current assets				
Inventories		400	167	152
Trade and other receivables		1,499	2,016	2,216
Cash and cash equivalents	6	4,774	4,708	3,439
		<u>6,673</u>	<u>6,891</u>	<u>5,807</u>
Total assets		<u>10,892</u>	<u>11,030</u>	<u>9,719</u>
Liabilities				
Current liabilities				
Trade and other payables		3,047	3,189	2,558
Net assets		<u>7,845</u>	<u>7,841</u>	<u>7,161</u>
Shareholders' equity				
Share capital	5	315	300	300
Share premium		13,962	12,178	12,178
Share based payments reserve		717	373	496
Retained earnings		(7,149)	(5,010)	(5,813)
Total shareholders' equity		<u>7,845</u>	<u>7,841</u>	<u>7,161</u>

Offshore Hydrocarbon Mapping plc

Condensed Group Statement of Changes in Equity

Attributable to equity holders of the parent company

	Share Capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Share based payments reserve (Unaudited) £'000	Retained earnings (Unaudited) £'000	Total equity (Unaudited) £'000
At 1 September 2005	300	12,178	250	(4,147)	8,581
Loss for the period	-	-	-	(863)	(863)
Share based payments charge	-	-	123	-	123
At 28 February 2006	<u>300</u>	<u>12,178</u>	<u>373</u>	<u>(5,010)</u>	<u>7,841</u>
Loss for the period	-	-	-	(803)	(803)
Share based payments charge	-	-	123	-	123
At 31 August 2006	<u>300</u>	<u>12,178</u>	<u>496</u>	<u>(5,813)</u>	<u>7,161</u>
Loss for the period	-	-	-	(1,301)	(1,301)
Share based payments charge	-	-	221	-	221
Purchase of own shares	-	-	-	(35)	(35)
Share placing	15	1,860	-	-	1,875
Share issue costs	-	(76)	-	-	(76)
At 28 February 2007	<u>315</u>	<u>13,962</u>	<u>717</u>	<u>(7,149)</u>	<u>7,845</u>

The charge to the share based payments reserve represents the fair value of the shares to be awarded under the Group's Share Option and Share Award schemes. Corresponding amounts are included in the loss for the relevant periods with the consequence that the Company's accounting for share based payments has no net impact on total equity.

Offshore Hydrocarbon Mapping plc

Condensed Group Cashflow Statement

	Note	Six months to 28 February 2007 (Unaudited) £'000	Six months to 28 February 2006 (Unaudited) £'000	Year to 31 August 2006 (Unaudited) £'000
Cash flows from operating activities				
Loss before taxation		(1,248)	(838)	(1,578)
Adjustments for:				
Depreciation of plant and equipment		749	811	1,624
Amortisation of intangible fixed assets		18	1	6
Share based payments charge		221	123	246
Multi client data library transfer from balance sheet		492	-	-
Loss on disposal of plant and equipment		53	150	301
Financial income		(67)	(81)	(168)
(Increase)/decrease in inventories		(248)	27	42
Decrease/(increase) in trade and other receivables		717	(903)	(1,100)
Increase in trade and other payables		436	1,462	865
Foreign taxes paid		(53)	-	(88)
Net cash generated from operating activities		1,070	752	150
Cash flows from investing activities				
Payments to acquire multi client data library		(1,269)	-	(406)
Payments to acquire software		(58)	(40)	(152)
Payments to acquire patents		(72)	(57)	(70)
Purchase of plant and equipment		(167)	(442)	(709)
Proceeds from sale of plant and equipment		-	46	81
Interest received		67	92	188
Net cash used in investing activities		(1,499)	(401)	(1,068)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		1,875	-	-
Share issue expenses		(76)	-	-
Purchase of own shares		(35)	-	-
Net cash from financing activities		1,764	-	-
Net increase/(decrease) in cash and cash equivalents		1,335	351	(918)
Opening cash and cash equivalents		3,439	4,357	4,357
Closing cash and cash equivalents	6	4,774	4,708	3,439

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Accounts For the six months to 28 February 2007

1 Basis of preparation

These interim consolidated financial statements for Offshore Hydrocarbon Mapping plc (the "Group") are for the six months to 28 February 2007 and have been prepared in accordance with the accounting policies the Group expects to adopt in its 2007 annual report.

The Group has previously prepared its primary financial statements under United Kingdom Generally Accepted Accounting Principles ("UK GAAP"). From 2007 the Group has decided to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. For the purposes of this document the term IFRS includes International Accounting Standards.

There is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use by the European Union. The IFRS and IFRIC interpretations that will be applicable and adopted for use by the European Union at 31 August 2007 are not known with certainty at the time of preparing this interim financial information.

The Group will apply IFRS for the year ended 31 August 2007, and will prepare the 2006 comparatives under IFRS. The Group's date of transition to IFRS is 1 September 2005 and its first reporting period is for the six months to 28 February 2007. This report contains the consolidated financial results for the six months to 28 February 2007, comparatives for the six months to 28 February 2006 and for the year to 31 August 2006 under the basis of preparation set out below.

To assist with the understanding of the impact of transition from UK GAAP to IFRS, the Group has presented reconciliations of previously reported UK GAAP to IFRS information as required by IFRS 1 "First-time Adoption of International Reporting Standards" for 31 August 2005, 28 February 2006 and 31 August 2006 in Appendix 1 to 3.

The interim results are unaudited but have been reviewed by the auditors whose report is set out on pages 17 to 18. The financial information presented herein does not amount to full statutory accounts under the meaning of Section 240 of the Companies Act 1985. The comparative figures for the year to 31 August 2006 are unaudited and do not constitute statutory financial statements for that year. The full year's financial statements for 2006 were prepared under UK GAAP in accordance the Companies Act 1985, a copy of which has been delivered to the Registrar of Companies. The report of the auditors of those accounts was unqualified and did not contain a statement under either Section 237(2) or (3) of the Companies Act 1985.

On transition to IFRS, an entity is generally required to apply IFRS retrospectively except where exemption is available under IFRS 1. The following is a summary of the key elections that were made by the Group:

- IAS34 "Interim Financial Reporting": As permitted the Group has not applied IAS 34 in preparing these interim results.
- IFRS 2 "Share Based Payments": The Group has elected to apply IFRS 2 to all share option and share award grants made after 7 November 2002, but not vested at 1 September 2005.

2 Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns which are different from those of other business segments. At 28 February 2007 the Group is organised into one reportable business segment.

The Group adds value by providing interpretations of data which lowers the client's risk of unsuccessful offshore exploration. Controlled Source ElectroMagnetic (CSEM) surveying detects the presence and extent of hydrocarbon accumulations before drilling. The Group has not divided financial information into different segments as it offers only one CSEM product range to its clients who are international and state owned oil companies.

The risk and profitability of the Group's operations is similar in different geographical regions of the world. Most of the Group's plant and equipment is deployed on survey vessels and, as the CSEM surveys are executed worldwide with equipment often being relocated to meet capacity requirements, the Group is not able to allocate assets specifically to any geographical region.

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Accounts For the six months to 28 February 2007 (Continued)

3 Income tax expense	Six months to 28 February 2007 (Unaudited) £'000	Six months to 28 February 2006 (Unaudited) £'000	Year to 31 August 2006 (Unaudited) £'000	
<i>UK Corporation tax</i> Corporation tax	-	-	-	
<i>Foreign tax</i> Current tax on foreign income for the year	<u>53</u>	<u>25</u>	<u>88</u>	
Total current tax	<u>53</u>	<u>25</u>	<u>88</u>	
4 Intangible assets				
	Multi client data library (Unaudited) £'000	Software (Unaudited) £'000	Patent costs (Unaudited) £'000	Total (Unaudited) £'000
Cost or valuation				
At 1 September 2006	798	152	178	1,128
Additions	1,269	58	72	1,399
Transfer to Income Statement	<u>(492)</u>	<u>-</u>	<u>-</u>	<u>(492)</u>
At 28 February 2007	<u>1,575</u>	<u>210</u>	<u>250</u>	<u>2,035</u>
Amortisation				
At 1 September 2006	-	5	2	7
Provided for the year	<u>-</u>	<u>16</u>	<u>2</u>	<u>18</u>
At 28 February 2007	<u>-</u>	<u>21</u>	<u>4</u>	<u>25</u>
Net book value				
At 28 February 2007	<u>1,575</u>	<u>189</u>	<u>246</u>	<u>2,010</u>
At 31 August 2006	<u>798</u>	<u>147</u>	<u>176</u>	<u>1,121</u>
5 Share capital				
	At 28 February 2007 (Unaudited) £	At 28 February 2006 (Unaudited) £	At 31 August 2006 (Unaudited) £	
Authorised 43,000,000 (28 February 2006: 43,000,000, 31 August 2006: 43,000,000) ordinary shares of 1p each	<u>430,000</u>	<u>430,000</u>	<u>430,000</u>	
	£	£	£	
Allotted, called up and fully paid 31,549,652 (28 February 2006: 30,049,652, 31 August 2006: 30,049,652) ordinary shares of 1p each	<u>315,497</u>	<u>300,497</u>	<u>300,497</u>	

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Accounts For the six months to 28 February 2007 (*Continued*)

6 Cash and cash equivalents

	At 28 February 2007 (Unaudited) £'000	At 28 February 2006 (Unaudited) £'000	At 31 August 2006 (Unaudited) £'000
Cash at bank and in hand	<u>4,774</u>	<u>4,708</u>	<u>3,439</u>
Cash and cash equivalents	<u>4,774</u>	<u>4,708</u>	<u>3,439</u>

7 (Loss)/earnings per share

(Loss)/earnings per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods.

The weighted average number of ordinary shares in issue for the six months to 28 February 2007 was 30,762,359 (six months to 28 February 2006: 30,049,652, year to 31 August 2006: 30,049,652).

Earnings, being the loss after tax, were £1,301,000 (six months to 28 February 2006: loss of £863,000, year to 31 August 2006: loss of £1,666,000).

	Six months to 28 February 2007 (Unaudited) Shares	Six months to 28 February 2006 (Unaudited) Shares	Year to 31 August 2006 (Unaudited) Shares
Reconciliation of denominator for diluted EPS calculation			
Number of shares used in calculation of basic EPS	30,762,359	30,049,652	30,049,652
Dilutive potential ordinary shares held under Share Option and Share Award schemes	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares used in calculation of diluted EPS	<u>30,762,359</u>	<u>30,049,652</u>	<u>30,049,652</u>

In, both 2007 and 2006, the loss for the periods has resulted in any potential ordinary shares held under Share Option and Share Award schemes being anti-dilutive and, in accordance with IAS 33 "Earnings per share", these shares have therefore been excluded from the calculation of diluted EPS. At 28 February 2007 there were 2,977,913 ordinary shares held under the Company's Share Option Schemes and Share Award Plans which could potentially dilute the basic EPS in the future

8 Post balance sheet events

On 9 March 2007 the Group announced that Electromagnetic Geoservices AS (emgs) was discontinuing its proceedings in the High Court of London against the Group for alleged infringement of emgs' patents relating to Seabed Logging. Emgs also agreed to pay £50,000 towards the Group's costs in defending this action.

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards (“IFRS”)

APPENDIX 1

Reconciliations between IFRS and UK GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS. The first reconciliation provides an overview of the impact on equity of the transition at 31 August 2005, 28 February 2006 and 31 August 2006. The following five reconciliations provide details of the impact of the transition:

- Balance Sheet at 31 August 2005	APPENDIX 2
- Balance Sheet at 28 February 2006	“
- Balance Sheet at 31 August 2006	“
- Income Statement 28 February 2006	APPENDIX 3
- Income Statement 31 August 2006	“

Overview of shareholders’ equity and net assets

	As at 31 August 2006 £'000	As at 28 February 2006 £'000	As at 31 August 2005 £'000
Total shareholders’ equity and net assets under UK GAAP	6,940	7,808	8,605
Patents additions – under IAS 38	23	(84)	(77)
Patents amortisation – under IAS 38	51	77	53
Software additions – under IAS 38	152	40	-
Software amortisation – under IAS 38	(5)	-	-
Share based payments charge – under IFRS 2	-	-	-
Total IFRS adjustments	221	33	(24)
Total shareholders’ equity and net assets under IFRS	7,161	7,841	8,581

Explanation of reconciling items between UK GAAP and IFRS

(a) Transition date and first time adoption of IFRS

The Group's transition date to IFRS is 1 September 2005. All adjustments on first time adoption which related to periods prior to this date were recorded in shareholders' equity on the date of transition.

(b) Intangible assets

The costs of obtaining patents were capitalised by the Group under UK GAAP and amortised over their useful life from the date they were awarded. However under IAS 38 "Intangible Assets", the recognition criteria for intangibles has resulted in the recognition of more intangible assets and lower amortisation charges than under UK GAAP. The patents are amortised over their useful life which ranges from 10 to 15 years.

Costs in relation to those intangible assets and software that had not been recognised under UK GAAP, but now qualify for recognition in accordance with IAS 38, were previously written off to the profit and loss account.

Software developed internally, which was previously expensed, has been capitalised under intangible assets as required under IFRS. This software is amortised over its useful life which ranges from three to five years.

(c) Employee benefits (share based payments)

Under UK GAAP charges were based on the intrinsic value of awarded shares at grant date. Under IFRS 2 "Share based payments", the charge to the Income Statement is based on the fair value of all share based awards at grant date. The cost is calculated using option pricing models and, for equity settled awards, applies to all share options and share awards granted after 7 November 2002 and not vested at 1 September 2005. The cost is amortised through the Income Statement over the vesting period of the options and awards.

The accounting for share based payments has no net impact on total shareholders' equity for the periods under review.

(d) Cashflow Statement

The Cashflow Statement on page 7 has been prepared in conformity with IAS 7 "Cashflow Statements". There are no material differences between the Cashflow Statement presented under IFRS and the Cashflow Statement presented under UK GAAP. The only difference from UK GAAP is presentational.

(e) Income tax

The Group does not currently recognise its deferred tax asset and accordingly, there are no recorded tax effects resulting from reconciling items.

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards ("IFRS") Reconciliation of Consolidated Balance Sheets

APPENDIX 2

Group Balance Sheet at 31 August 2005

Effect of transition to IFRS
on 1st September 2005

	UK GAAP in IFRS format £'000	IAS 38 "Intangible Assets" £'000	IFRS 2 "Share based payments" £'000	As reported under IFRS £'000
Assets				
Non-current assets				
Intangible assets - multi client data library	326	-	-	326
- software	-	-	-	-
- patent costs	131	(24)	-	107
	457	(24)		433
Plant and equipment	4,177	-	-	4,177
	4,634	(24)	-	4,610
Current assets				
Inventories	194	-	-	194
Trade and other receivables	1,112	-	-	1,112
Cash and cash equivalents	4,357	-	-	4,357
	5,663	-	-	5,663
Total assets	10,297	(24)	-	10,273
Liabilities				
Current liabilities				
Trade and other payables	1,692	-	-	1,692
Net assets	8,605	(24)	-	8,581
Shareholders' equity				
Share capital	300	-	-	300
Share premium	12,178	-	-	12,178
Share based payments reserve	-	-	250	250
Retained earnings	(3,873)	(24)	(250)	(4,147)
Total shareholders' equity	8,605	(24)	-	8,581

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards ("IFRS")

Reconciliation of Consolidated Balance Sheets

APPENDIX 2 (Continued)

Group Balance Sheet at 28 February 2006

Effect of transition to IFRS
on 1st September 2005

	UK GAAP in IFRS format £'000	IAS 38 "Intangible Assets" £'000	IFRS 2 "Share based payments" £'000	As reported under IFRS £'000
Assets				
Non-current assets				
Intangible assets - multi client data library	340	-	-	340
- software	-	40	-	40
- patent costs	155	(7)	-	148
	<u>495</u>	<u>33</u>	<u>-</u>	<u>528</u>
Plant and equipment	3,611	-	-	3,611
	<u>4,106</u>	<u>33</u>	<u>-</u>	<u>4,139</u>
Current assets				
Inventories	167	-	-	167
Trade and other receivables	2,016	-	-	2,016
Cash and cash equivalents	4,708	-	-	4,708
	<u>6,891</u>	<u>-</u>	<u>-</u>	<u>6,891</u>
Total assets	<u>10,997</u>	<u>33</u>	<u>-</u>	<u>11,030</u>
Liabilities				
Current liabilities				
Trade and other payables	3,189	-	-	3,189
Net assets	<u>7,808</u>	<u>33</u>	<u>-</u>	<u>7,841</u>
Shareholders' equity				
Share capital	300	-	-	300
Share premium	12,178	-	-	12,178
Share based payments reserve	-	-	373	373
Retained earnings	(4,670)	33	(373)	(5,010)
Total shareholders' equity	<u>7,808</u>	<u>33</u>	<u>-</u>	<u>7,841</u>

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards ("IFRS")

Reconciliation of Consolidated Balance Sheets

APPENDIX 2 (Continued)

Group Balance Sheet at 31 August 2006

Effect of transition to IFRS
on 1st September 2005

	UK GAAP in IFRS format £'000	IAS 38 "Intangible Assets" £'000	IFRS 2 "Share based payments" £'000	As reported under IFRS £'000
Assets				
Non-current assets				
Intangible assets - multi client data library	798	-	-	798
- software	-	147	-	147
- patent costs	102	74	-	176
	<u>900</u>	<u>221</u>	<u>-</u>	<u>1,121</u>
Plant and equipment	2,791	-	-	2,791
	<u>3,691</u>	<u>221</u>	<u>-</u>	<u>3,912</u>
Current assets				
Inventories	152	-	-	152
Trade and other receivables	2,216	-	-	2,216
Cash and cash equivalents	3,439	-	-	3,439
	<u>5,807</u>	<u>-</u>	<u>-</u>	<u>5,807</u>
Total assets	<u>9,498</u>	<u>221</u>	<u>-</u>	<u>9,719</u>
Liabilities				
Current liabilities				
Trade and other payables	2,558	-	-	2,558
Net assets	<u>6,940</u>	<u>221</u>	<u>-</u>	<u>7,161</u>
Shareholders' equity				
Share capital	300	-	-	300
Share premium	12,178	-	-	12,178
Share based payments reserve	117	-	379	496
Retained earnings	(5,655)	221	(379)	(5,813)
Total shareholders' equity	<u>6,940</u>	<u>221</u>	<u>-</u>	<u>7,161</u>

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards (“IFRS”)

Reconciliation of Consolidated Income Statements

APPENDIX 3

Group Income Statement for the six months ended 28 February 2006

	UK GAAP in IFRS format £'000	Re- classification £'000	Effect of transition to IFRS £'000	As reported under IFRS £'000
Revenue	5,940	-	-	5,940
Cost of sales	4,194	724	-	4,918
Gross profit	1,746	(724)	-	1,022
Administrative expenses	Note 1 2,450	(724)	65	1,791
Other expenses - loss on disposal of fixed assets	150	-	-	150
Group operating loss	(854)	-	(65)	(919)
Finance income	81	-	-	81
Loss before taxation	(773)	-	(65)	(838)
Income tax expense	(25)	-	-	(25)
Loss for the period	(798)	-	(65)	(863)

The order and description of items presented as "UK GAAP in IFRS format" have been adjusted to ease the direct comparison with IFRS presentation. In particular the depreciation charge on plant and equipment deployed on survey operations has been reclassified from administrative expenses to cost of sales.

Note 1

	£'000
Patents additions capitalised - under IAS 38	6
Patents amortisation - under IAS 38	(24)
Software additions capitalised - under IAS 38	(40)
Software amortisation - under IAS 38	-
Share based payments charge - under IFRS 2	123
Total IFRS adjustments to administrative expenses	65

Offshore Hydrocarbon Mapping plc

Condensed Interim Accounts

Transition to International Financial Reporting Standards (“IFRS”)

Reconciliation of Consolidated Income Statements

APPENDIX 3 (Continued)

Group Income Statement for the six months ended 31 August 2006

	UK GAAP in IFRS format £'000	Re- classification £'000	Effect of transition to IFRS £'000	As reported under IFRS £'000
Revenue	10,422	-	-	10,422
Cost of sales	7,549	1,510	-	9,059
Gross profit	2,873	(1,510)	-	1,363
Administrative expenses	Note 1 4,436	(1,510)	(118)	2,808
Other expenses - loss on disposal of fixed assets	301	-	-	301
Group operating loss	(1,864)	-	118	(1,746)
Finance income	168	-	-	168
Loss before taxation	(1,696)	-	118	(1,578)
Income tax expense	(88)	-	-	(88)
Loss for the period	(1,784)	-	118	(1,666)

The order and description of items presented as "UK GAAP in IFRS format" have been adjusted to ease the direct comparison with IFRS presentation. In particular the depreciation charge on plant and equipment deployed on survey operations has been reclassified from administrative expenses to cost of sales.

Note 1

£'000

Patents additions capitalised - under IAS 38	(101)
Patents amortisation - under IAS 38	1
Software additions capitalised - under IAS 38	(152)
Software amortisation - under IAS 38	5
Share based payments charge - under IFRS 2	129
Total IFRS adjustments to administrative expenses	(118)

Independent Review Report to Offshore Hydrocarbon Mapping plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 28 February 2007 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Group Statement of Changes in Equity, Consolidated Cashflow Statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in the basis of preparation section, the next annual financial statements of the company will be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. This interim report has been prepared in accordance with the basis set out in note 1.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. As explained in the basis of preparation section, there is however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use by the European Union. The IFRS and IFRIC interpretations that will be applicable and adopted for use by the European Union at 31 August 2007 are not known with certainty at the time of preparing this interim financial information.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of

Independent Review Report to Offshore Hydrocarbon Mapping plc (*Continued*)

accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 28 February 2007.

BDO STOY HAYWARD LLP

Chartered Accountants

Glasgow

18 April 2007