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## PRESS RELEASE

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

#### Strategic Alliance and Placing with CGGVeritas

The Directors of Offshore Hydrocarbon Mapping plc are delighted to announce the Company has entered into a strategic alliance with CGGVeritas under which both companies will work together to develop the global market for CSEM and to capitalise on seismic and CSEM integration opportunities.

- The strategic alliance will provide a step change to the Company’s business.
- CGGVeritas has also conditionally subscribed for 5,567,585 million new Ordinary Shares at a price of 240 pence per share. CGGVeritas’ holding following the subscription will be equivalent to 15% of the Enlarged Share Capital.
- Placing Price is a premium of:
  - 9.3 per cent. above the closing middle market price of 219.5 pence per Ordinary Share on 17 July 2007; and
  - 19.7 per cent. above the 30 business day average closing middle market price of 200.6 pence per Ordinary Share.
- Proceeds to be applied to capital expenditure for further data acquisition crews and strategic development opportunities
- Under the Joint Operating Agreements, CGGVeritas will undertake not to increase its shareholding in OHM beyond 15 per cent. without making a full public offer for the company, or unless an offer is made by another party.
- Placing subject to Shareholder approval at the Extraordinary General Meeting to be held at the offices of KBC Peel Hunt Ltd at 10.00 a.m. on 10 August 2007.

CGGVeritas is a world leading international pure-play geophysical company delivering a wide range of technologies, services and equipment to its broad base of customers mainly throughout the global oil and gas industry. The company is listed on the Eurolist of Euronext Paris (ISIN Code FR0000120164) and the New York Stock Exchange (NYSE) (in the form of American Depositary Shares) under the ticker CGV.

Dave Pratt, Offshore Hydrocarbon Mapping’s Chief Executive Officer, said:

*“CGGVeritas is a giant of the geophysical industry and the strategic alliance is a defining moment in the history of the development of OHM. It marks a change from a small technology company to a company with access to global market reach and with the funds to develop the capacity to take advantage of the opportunities this will bring us.”*

*“The proceeds from the Placing with CGGVeritas give us the resources necessary for our next phase of growth of our service business and to invest in strategic research and development opportunities.”*

Robert Brunck, Chairman and CEO of CGGVeritas commented:

*“CGGVeritas has recognized the potential of the ElectroMagnetic (EM) technology since its early days and has been very interested by OHM’s rapid technological developments and industrial track record. We believe that EM technology will continue to develop in the coming years as a recognized hydrocarbon presence confirmation tool and become a natural complement to seismic technology. We are confident that this strategic alliance will allow our two companies to strengthen our complementary activities and better serve our customers through our wide range of imaging technologies”.*

For further information, please contact:

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## **Notes for 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.

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

## **Further information**

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

This announcement may contain forward-looking statements, including, without limitation, statements containing the words "believes", "anticipates", "expects", and similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in this announcement to reflect future events or developments.

This written announcement is not an offer of securities for sale or a solicitation of any offer to subscribe for or to purchase securities in the United States. Placing Shares may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended (the 'US Securities Act') or an exemption therefrom. The Company has not and does not intend to register any securities under the US Securities Act or any other foreign legislation and does not intend to offer any securities to the public in the United States or any other jurisdiction where it would be unlawful so to do without complying with registration requirements. No money, securities or other consideration from any person inside the United States is being solicited and, if sent will not be accepted except pursuant to an exemption from, or as part of a transaction not subject to, the registration requirements of the US Securities Act and the securities laws of any applicable state absent registration. The Placing Shares have not been and will not be registered with any regulatory authority of any State within the United States.

## **Introduction**

OHM has entered into the strategic joint operating agreements (JOA) with CGGVeritas under which both companies will work together to develop the global market for CSEM and to capitalise on seismic and CSEM integration opportunities. Under the terms of the JOA, CGGVeritas has conditionally subscribed for 5,567,585 Ordinary Shares at 240 pence per Ordinary Share. The Placing will raise approximately £13.4 million (£13.3 million net of expenses). CGGVeritas has agreed with OHM that it will not increase its shareholding in OHM beyond 15 per cent. of the Company's issued ordinary share capital from time to time, except in certain limited circumstances.

OHM is seeking to authorise the disapplication of Shareholders' pre-emption rights in order to effect the Placing and to be able to raise funds in the future for additional growth in its data acquisition and processing capabilities, to increase its sales and marketing effort, for further research and development, and to take advantage of strategic acquisition opportunities as they arise.

## **The Group's strategy**

The Group has been working to promote the adoption of Controlled Source Electro-Magnetic imaging (CSEM) as an exploration and appraisal tool by oil and gas companies. CSEM is an innovative offshore geophysical technique, employing electromagnetic remote-sensing technology to detect the presence and extent of hydrocarbon accumulations below the seabed. Much of the Group's effort has gone into fostering industry adoption of CSEM; developing solutions to improve the value to clients of CSEM data through improved imaging of the subsurface; and widening the potential application of the technique, for instance by solving problems preventing application of the technique in shallow waters.

The Group is engaged in a joint industry research project with BP, the UK Department of Trade and Industry, and the University of Southampton to investigate aspects of reservoir characterisation by integrating seismic and electromagnetic remote sensing. This project is approaching its half way point and has already yielded valuable insights into the nature of field instrumentation necessary to image smaller and more subtle subsurface targets than are currently visible with today's CSEM technology. This has allowed the Group to develop outline specifications for new instrumentation that should lead to a huge step forward in the application of CSEM and should cement the Group's leading position in that market.

OHM's strategic alliance with CGGVeritas (as described below), the worlds' largest independent seismic company, will give the Group access to CGGVeritas' global marketing reach to develop the global market for CSEM, and will provide both parties the opportunity to develop markets for integrated CSEM and seismic offerings.

## **Information on CGGVeritas**

CGGVeritas is a world leading international pure-play geophysical company delivering a wide range of technologies, services and equipment to its broad base of customers mainly throughout the global oil and gas industry. The company is listed on the Eurolist of Euronext Paris (ISIN Code FR0000120164) and the New York Stock Exchange (NYSE) (in the form of American Depositary Shares) under the ticker CGV.

Geophysical equipment is developed and marketed by Sercel, a wholly owned subsidiary of CGGVeritas and the leading manufacturer of land and marine geophysical equipment including high-tech, integrated electronic recording systems, cables, land, ocean-bottom and borehole sensors, streamers, offshore seismic sources and vibrators.

CGGVeritas' geophysical services cover offshore and onshore seismic acquisition, seismic data processing and imaging, as well as reservoir management. Offshore, CGGVeritas operates the industry's largest fleet with 20 seismic vessels offering the most flexible variety of towing configurations to suit client requirements while, onshore, a potential capacity of 30 land and shallow water crews provide high-end acquisition capabilities in any location around the globe. Through CGGVeritas' seabed specialist, Multiwave, it offers an advanced suite of seabed seismic services. CGGVeritas also owns a recent vintage, well positioned library of multi-client land and marine seismic data.

CGGVeritas is a recognised leader in data processing and imaging services, made available via a worldwide network of 28 open seismic data processing centres and 15 client-dedicated centres. A suite of advanced technologies take seismic data processing into the reservoir and greatly enhance reservoir knowledge to improve exploitation.

### **Details of the Joint Operating Agreements**

OHM and CGGVeritas perceive an obvious overlap between the CGGVeritas group's existing infrastructures and capabilities within the geophysical market place and the infrastructures and capabilities needed by the Group to ensure comprehensive market penetration. Under the JOA the parties have agreed to establish a steering committee to guide and plan the co-operation of the parties which would lead to a mutually beneficial relationship to:

- develop the Group's market share in the marine CSEM market;
- develop and implement leading technological solutions arising from the combination of CSEM and seismic data;
- create and secure product combining opportunities in packaging CSEM and seismic services including through data library projects; and
- cooperate on reservoir-focussed technical projects to yield further value by combining CSEM and seismic technologies.

The steering group will establish certain working groups with a view to developing the sales and marketing of the Group's CSEM services and combined CSEM and seismic services.

Under the terms of the JOA CGGVeritas has agreed to conditionally subscribe for 5,567,585 new Ordinary Shares at a price of 240 pence per Ordinary Share, subject to, *inter alia*, the passing of the Resolutions.

OHM has agreed that for so long as CGGVeritas holds at least 10 per cent. of the issued ordinary share capital of the Company it shall have the right to nominate a non-executive director to the Board.

CGGVeritas has agreed that it, together with members of its group and their respective concert parties, will not acquire any interest in shares in the capital of the Company that would result in members of the CGGVeritas group and their respective concert parties holding more than 15 per cent. of the then total issued ordinary share capital of the Company. It has also agreed to use all reasonable endeavours to procure that any associated entity of the CGGVeritas group and their concert parties will not acquire an interest in shares in the capital of the Company that would result in members of the CGGVeritas group, their associated entities and their respective concert parties holding more than 15 per cent. of the then total issued ordinary share capital of the Company. The above restrictions are subject to certain limited exceptions including the making of a general offer by CGGVeritas.

If OHM effects a fundraising or issues new Ordinary Shares in the three months following the date of the JOA, CGGVeritas has the right to restore its percentage holding to 15.0 per cent. through market purchases or, at its option, by subscribing for new Ordinary Shares at 240 pence per share.

The parties have also agreed to enter into certain restrictive covenants such that, generally, the CGGVeritas group will not compete in the field of marine CSEM (or equivalent competing marine electromagnetic technology) commercial data acquisition and processing as currently conducted by the Group and the Group, generally, will not compete with the CGGVeritas group in the field of acquiring and processing seismic data as currently carried on.

### **Details of the Placing**

Under the terms of the JOA, CGGVeritas has agreed conditionally to subscribe 5,567,585 new Ordinary Shares at the Placing Price.

The Placing Price is a premium of:

- 9.3 per cent. above the closing middle market price of 219.5 pence per Ordinary Share on 17 July 2007 being the day before announcement of the Placing; and
- 19.7 per cent. above the 30 business day average closing middle market price of 200.6 pence per Ordinary Share.

The Board considered whether it would be appropriate to provide existing Shareholders with the opportunity to participate in the fundraising through an offer of new Ordinary Shares on a pre-emptive basis. The Board concluded, having taken appropriate advice, that it was not in the best interests of the Company at the present time to make available such a pre-emptive offer due to the commercial necessity for the Company to complete the JOA and the time and management involvement required in the production of a prospectus at this key stage of the Company's development.

### **Use of proceeds**

The Placing will raise approximately £13.3 million (net of expenses). Of these proceeds:

- £6.0 million will be used to fund investment in capital equipment for two further data acquisition crews for the Group's CSEM business;
- £2.3 million will be applied to the development of the next generation marine CSEM receivers and hardware which are intended to facilitate the imaging of smaller subsurface targets; and
- £3.0 million will be spent on the development of software and workflows for the joint inversion of CSEM and seismic data and the establishment of regional service centres to deliver this service to locally based clients.

### **Settlement and dealings**

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the EGM, Admission will become effective on 13 August 2007.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following

Admission with the exception of certain orderly market arrangements agreed to by CGGVeritas through the JOA.

### **Conditions to the Placing**

The Placing is conditional, *inter alia*, upon all Resolutions being duly passed at the EGM without amendment in any material respect and Admission occurring on or before 13 August 2007.

### **Appointment of new non-executive Director**

Pursuant to the JOA, CGGVeritas has the right to nominate a suitably qualified non-executive director to the Board of the Company immediately on the JOA becoming unconditional in all respects.

The appointment of the non-executive director will be reviewed by the Company's nominations committee.

### **Current trading and prospects**

Since OHM reported its interim results for the 6 months ended 28 February 2007, it has continued to move forward in the development of its business. The Group's new flagship, OHM Express, commenced operations in late June 2007. This ship has been purpose chartered for five years and converted for the Group's CSEM operations and will give the Group important operational and commercial advantages over the vessels that it previously spot chartered in the market. The vessel has a strong order book of work in North West Europe for the remainder of the North Sea season, after which it is anticipated that the vessel will undertake work programs off the African Coast.

The Group's other crew has been operational in the Falkland Islands where its operations have proceeded slowly due to exceptional poor weather conditions. After a change of vessel, the crew has now entered the second phase of this project which is anticipated to last for some months. Thereafter, that crew has prospective work in South America, Africa, and South East Asia.

### **Extraordinary General Meeting**

The Resolutions will be proposed at the EGM which is to be held at the offices of KBC Peel Hunt at 111 Old Broad Street, London EC2N 1PH on 10 August 2007 at 10:00 a.m., and, if passed, will increase the Company's authorised share capital to allow scope for the Placing and will authorise the Directors to allot the Placing Shares.

### **Circular**

The circular containing information of the proposed Placing and containing the notice of the EGM details is being posted today to Shareholders and will be available at the Company's website at [www.ohmsurveys.com](http://www.ohmsurveys.com) shortly thereafter.

### **Timetable**

- Latest time and date for receipt of Forms of Proxy : 10:00 am on 8 August 2007.
- Extraordinary General Meeting : 10:00 am on 10 August 2007.
- Admission and commencement of dealings in the Placing Shares: 8.00 a.m. on 13 August 2007.

## Definitions

The following definitions apply throughout this announcement, unless the context otherwise requires:

“Act”	the Companies Act 1985, as amended and, to the extent effective, superseded by the Companies Act 2006
“Admission”	the admission to trading on AIM in accordance with rule 6 of the AIM Rules of the Placing Shares becoming effective
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the London Stock Exchange’s rules for companies relating to AIM entitled “AIM Rules for Companies”
“Board”	the Company’s board of directors
“CGGVeritas”	Compagnie Générale de Géophysique-Veritas S.A., a société anonyme registered in France and having its registered address at Tour Maine Montparnasse, 33 Avenue du Maine, B.P. 19175755 Paris, Cedex 15, France
“Company” or “OHM”	Offshore Hydrocarbon Mapping plc, a company registered in England with registered number 4329960 and having its registered office at Pinsent Masons, 30 Aylesbury Street, London, EC1R 0ER
“CSEM”	controlled source electro-magnetic imaging, an offshore geophysical technique, employing electromagnetic remote-sensing technology to detect the presence and extent of hydrocarbon accumulations below the seabed
“Directors”	the directors of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 10 August 2007
“Enlarged Issued Ordinary Share Capital”	the Company’s issued ordinary share capital immediately after the completion of the Placing
“Existing Ordinary Shares”	31,549,652 Ordinary Shares in issue on the date of this announcement
“Form of Proxy”	the form of proxy for use in connection with the EGM
“Group”	the Company and its subsidiaries
“KBC Peel Hunt”	KBC Peel Hunt Ltd
“London Stock Exchange”	London Stock Exchange plc

“Joint Operating Agreements” or “JOA”	the agreements dated 17 July 2007 between the Company and CGGVeritas, pursuant to which CGGVeritas has undertaken to subscribe for the Placing Shares at the Placing Price; the parties agreed to perform certain commercial actions for the benefit of both the Company and CGGVeritas; and to accept certain restrictions on CGGVeritas’ current and future interest in Ordinary Shares
“Ordinary Shares”	ordinary shares of one pence each in the share capital of the Company
“Placing”	the proposed conditional placing of Placing Shares at the Placing Price pursuant to the JOA
“Placing Price”	240 pence per Placing Share
“Placing Shares”	the 5,567,585 Ordinary Shares to be placed pursuant to the Placing
“Registrars”	Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, HD8 OLA
“Resolutions”	the resolutions set out in the notice of EGM
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US Securities Act”	the US Securities Act of 1933 (as amended)