



Press Release

4 September 2006

Offshore Hydrocarbon Mapping plc

Trading update

Offshore Hydrocarbon Mapping plc (“OHM” or the “Company”) (AIM:OHM) is pleased to report that it expects to end the fiscal year on 31 August 2006 with revenues significantly more than double those of the previous fiscal year, and with a pre-tax loss of less than half of the previous year, in the absence of unforeseen circumstances. The Company’s cash balance remains healthy.

Fiscal 2006 Performance: The Company exhibited strong turnover growth in the first half of fiscal 2006 of £5.9 million versus £1.5 million in the previous half year. This activity level broadly continued into the second half, despite tightness in the North Sea shipping market affecting the sourcing of a suitable vessel for our planned summer work programme. Multi client work for the Company’s data library in West Africa was also carried out in the second half of the year and revenues and cash flows from this activity are expected to contribute to the Company’s figures in Fiscal 2007.

Fiscal 2007 Prospects: Looking forward, our order book for fiscal 2007 stands at a record level and enquiries and leads for work globally are increasing. Depending on the number of orders received, the Company may attain the activity levels to justify mobilizing a third offshore crew. Initial sales enquiries and pre-commitment orders in respect of the Company’s 2006 Norwegian data library programme are encouraging.

Technical Partnership: OHM is making significant technical progress through its recently announced co-operation with Rock Solid Images, a provider of leading edge technologies for reservoir characterisation. This co-operation aims to develop quantitative measurement of rock and fluid properties of the earth through the integration of CSEM measurements with surface seismic and well logging data. Such successful integration will be a key enabler in the application of CSEM technology to reservoir monitoring and management. Results from our first case study which predicted gas saturation levels in a known North Sea reservoir have been well received by industry and, importantly, orders for fiscal 2007 have been received.

Intellectual Property: Much attention has been focused in the past on intellectual property issues relating to the use of controlled source electro-magnetic (“CSEM”) technology. Despite the loss, during fiscal 2006, of the use of a patent licensed from the University of Southampton covering particular applications of the CSEM technique, OHM has grown its revenues and its order book, and the Company is expanding its proprietary portfolio of patents covering process improvements in the application of CSEM technology.

Third Party Validation of CSEM: ExxonMobil and Shell have submitted articles to a special section on CSEM in the August issue of “The Leading Edge”, published by the Society of Exploration Geophysicists. The articles submitted lend credence to the validity of CSEM as a key exploration tool. ExxonMobil states “Marine CSEM methods are arguably the most important geophysical technology for imaging below the seafloor since the emergence of 3D reflection seismology some 25 years ago”

Dave Pratt, Chief Executive Officer of OHM, said:

“Today’s record order book, increasing levels of enquiries from super majors to junior E&P’s and third party validation of the benefits of CSEM demonstrate that the battle to win over the doubters is being won.

In prior years, the primary users of CSEM were the super-major and major oil companies. We are now conducting surveys for mid-sized and junior exploration companies whose managements and shareholders recognise the value of reducing exploration risk – and therefore cost – using CSEM.”

The Company expects to report its interim figures on the 17th of October 2006.

For further information, please contact:

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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.