



## **PRESS RELEASE**

**2 March 2010**

**Offshore Hydrocarbon Mapping plc ("OHM" or "the Group")**

### **Trading Update**

Offshore Hydrocarbon Mapping plc (AIM: OHM), is pleased to provide the following trading update to coincide with the six months ended 28 February 2010.

The Group aims to reduce exploration and exploitation risk through the careful integration of seismic, CSEM and well log information. During the first half to 28 February 2010, our wholly owned Rock Solid Images subsidiary, specialising in seismic reservoir characterisation and well log analysis, has continued to perform to plan. However, as previously indicated in our announcements of 16 November and 24 December 2009, income from CSEM surveys in the first six months to 28 February 2010 has been disappointing largely as a result of geopolitically induced delays to a number of programs which were in train of award to OHM. Firm enquiries have continued to trend upwards and CSEM survey backlog is beginning to build.

The Group's half year ended on 28 February 2010 and revenues for each of its operating divisions are expected to be as follows:

- As a result of the phasing of awarded work, seismic reservoir characterisation revenues from the Rock Solid Images division are expected to be £1.3 million (six months to 28 February 2009: £2.3 million) and are in-line with our budget for the first six-months. Backlog levels continue to be healthy and visibility of data arriving from clients should drive strong revenues for the second half;
- The WISE seismic/CSEM integrated product line will achieve revenues of approximately £0.4 million (six months to 28 February 2009: £0.1 million);
- As discussed above, CSEM acquisition, data library and processing revenues were disappointing and for the six months to 28 February 2010 amounted to £1.5 million (six months to 28 February 2009: £3.9 million).

In aggregate, the Group's revenues are expected to be approximately £3.2 million for the six months to 28 February 2010 compared to £6.2 million for the six months to 28 February 2009. However, the Group is expected to have a much stronger second half than in the last financial year when total revenue fell back to £3.0 million in the six months to 31 August 2009.

Overheads for the Group before foreign currency differences have been reduced to an average of £410,000 per month for the six months to 28 February 2010 compared to £630,000 per month for the first half of 2009, following the cost reductions implemented this time last year.

Pre-tax loss for the six months to 28 February 2010 is expected to be in the £4.1 to £4.4 million range, (before impairment provisions and before accounting for the one-off charge arising from the removal of most of the Group's future financial commitments on two vessel charters last September), compared to a £5.6 million loss for the same period last year.

The EBITDA loss for the Group's six months to 28 February 2010 will be in the £2.8 to £3.1 million range compared to an EBITDA loss of £4.6 million for the six months to 28 February 2009.

The Group's cash balance at 28 February 2010 was £1.4 million, compared to £1.1 million at 31 August 2009.

The \$2 million Credit Facility entered into with two of our main shareholders in December 2009 has been fully drawn.

The figures for the six months to 28 February 2010 are unaudited and have yet to be reviewed by the Group's Independent Auditors.

### **Current Trading and Prospects**

Since 16 November 2009 when OHM reported its results for the 12 months ended 31 August 2009, it has continued to move forward in developing its business.

The Company's wholly owned Rock Solid Images subsidiary's reputation for delivering valuable reservoir insight continues to grow, although delays in receiving data from clients on contracts has temporarily held back revenues in the first half of the year. The Group is processing several large seismic inversion projects from the main players in West Africa and has recently been awarded its second project from the conjugate margin area of Latin America, considered to be an analogue for West Africa and hence potentially highly prospective.

The Group conducted its second full commercial reservoir appraisal survey using its WISE (Well Integration with Seismic and Electromagnetics) technology in December 2009 for a customer in West Africa. The survey was completed on time and data are currently being processed in the Group's Kuala Lumpur facility.

The level of bid activity for marine CSEM surveys is higher now than for the same period last year. This fact, coupled with the overall reduction in CSEM industry fleet size, is expected to lead to increased vessel utilisation for the Group over the coming months. CSEM order backlog is building and in addition the Group currently has marine CSEM survey opportunities developing in India, China, West Africa and the North Sea.

### **Funding**

With a positive contribution from Rock Solid Images and our continuing focus on restraining overhead, the Group has reduced its dependence on CSEM income which has allowed it to continue to trade through some very difficult market conditions. As the market recovers, our focus will inevitably change from cost cutting to planning and building for future growth. Our growing order book and the pursuit of further CSEM opportunities as outlined above will increase our working capital requirements. With this in mind and the Group's ongoing requirement for additional capital through to cash flow breakeven, the Directors are examining options for attracting further funding into the business.

Stated Richard Cooper, Group CEO: "The Group's mission is to reduce our customers' risk in their search for hydrocarbons. We achieve this via the careful integration of surface geophysical data, primarily seismic, but also CSEM, using available well-data as ground-truth. Although it is disappointing that the CSEM part of business remains depressed, we are committed to the long term development of this technology and are encouraged with the progress we have made to date in developing the

necessary integration tools and workflows. Seismic and CSEM methods are playing an increasingly important role in reservoir appraisal, in addition to their traditional place as exploration tools. OHM is uniquely positioned to benefit from this trend as this market matures over the coming years.”

We anticipate announcing our final half year results on 22 April 2010.

Contact:

**Offshore Hydrocarbon Mapping plc**

Richard Cooper – Chief Executive Officer  
Bob Auckland- Finance Director

[www.ohmsurveys.com](http://www.ohmsurveys.com)

0870 429 6581

0870 429 6581

**KBC Peel Hunt (NOMAD and Broker)**

Julian Blunt/David Anderson

020 7418 8900

**Aquila Financial Ltd (PR)**

Peter Reilly

07881 920542