



13 October 2010

Offshore Hydrocarbon Mapping plc (“PLC”, “Company” or “Group”)

**PLACING OF 20,000,000 NEW ORDINARY SHARES AT 10 PENCE PER SHARE
DISPOSAL OF OHM LIMITED AND OHM SURVEYS SDN BHD
AND
NOTICE OF GENERAL MEETING**

The Directors of Offshore Hydrocarbon Mapping plc (“PLC”) are pleased to announce that, further to the announcement made on 22 September 2010, the Company has conditionally agreed to sell OHM Ltd and OHM Surveys Sdn Bhd to a company controlled by Sector Asset Management and its affiliates (“Sector”) and Euro Trans Skips AS (“ETS”)(together the “Concert Party”) for a consideration of \$150,000 (the “Disposals”). At the same time Sector and ETS have conditionally subscribed for 9,000,000 Ordinary Shares in aggregate at 10 pence per share representing a premium of 60 per cent. to the closing mid-market price on 12 October 2010 (the “First Placing”) and have conditionally agreed to subscribe for a further 11,000,000 Ordinary Shares at the same price (the “Placing”). In aggregate, the First Placing and the Placing are expected to raise £2.0 million (£1.8 million after expenses) for the Company.

The First Placing is conditional only upon admission of the First Placing Shares to trading on AIM. Accordingly, application will be made for the First Placing Shares to be admitted to trading on AIM, which is expected to take place on 19 October 2010. Subject to admission of the First Placing Shares to AIM, the Concert Party holds 51.11 per cent. of the Company’s issued share capital (including the First Placing Shares). The members of the Concert Party are deemed to be acting in concert by the Panel. In order to complete the First Placing and the Placing, the Panel has agreed to a waiver of the requirement for the Concert Party to make a general offer for the Company for the purposes of Rule 9 of the City Code following written confirmations consenting to such waiver from the Independent Shareholders who hold in excess of 50 per cent. of the Company’s voting rights, excluding those of the Concert Party.

The Disposals and the Placing (together the “Proposals”) are conditional, inter alia, upon Shareholder approval being obtained. Due to the size of the Disposals in relation to the Company, the Directors are required to seek Shareholder consent to the Disposals for the purposes of AIM Rule 15. In addition, in order to effect the Placing the Directors will seek the required authorities under the Companies Act 2006. Accordingly, the Company will shortly dispatch a circular to Shareholders convening a general meeting of the Company to be held on 1 November 2010 (the “Circular”). In addition, the Circular will shortly be available to view on the Company’s website, www.ohmrsi.com. The Circular contains further

details of the background to and reasons for the Disposals and the Placing and sets out in further detail why the Board considers the Proposals to be in the best interests of Shareholders as a whole. Subject, inter alia, to Shareholder consent to the Proposals being obtained at the General Meeting, the Disposals are expected to be completed on 2 November 2010 and the Placing Shares are expected to be admitted to trading on AIM on 2 November 2010.

In connection with the Proposals, the Company has entered into the Subscription Agreement and the Sale Agreement and will also enter into the Asset Transfer Agreement, the Services Agreement and the Relationship Agreement. Further details of these agreements are set out in the Circular. The Concert Party is deemed to be a related party for the purposes of the AIM Rules and accordingly the entering into of the Subscription Agreement, the Sale Agreement, the Services Agreement and the Relationship Agreement (together the "Related Party Agreements") are all deemed to be related party agreements for the purposes of the AIM Rules. The Concert Party has undertaken not to vote in relation to the Independent Shareholder Resolutions. The Board, insofar as it is required for the purposes of the AIM Rules in relation to related party transactions, has sought the advice of the Company's Nominated Adviser, KBC Peel Hunt.

The Directors, having consulted with KBC Peel Hunt in respect of the Related Party Agreements, consider such agreements to be fair and reasonable insofar as Shareholders are concerned. In providing its advice KBC Peel Hunt has relied upon the Directors' commercial assessments.

Current trading and prospects

CSEM acquisition revenues for the second half of the financial year, 1 March to 31 August 2010, improved substantially over the first half from £1.6 million to £4.8 million. This reflected the increased vessel utilisation enjoyed by the OHM Leader associated with data acquisition projects in Asia Pacific, notably for Reliance Industries, Petrogas and Karoon Energy. Notwithstanding this improvement in H2 CSEM acquisition, activities remain substantially loss making at the operating level due to the high fixed costs associated with leasing and operating the vessels.

WISE revenues and revenues from seismic inversion business remained substantially flat in the second half of the year to 31 August 2010 compared to the first half at £0.35 million and £1.39 million respectively.

OHM Group revenues for the year to 31 August 2010 are expected to be approximately £9.9 million, compared to £9.2 million for the 2009 financial year, which represents a modest 7 per cent. increase.

The EBITDA loss for the Group for the six months to 31 August 2010 will be in the £2.8 to £3.3 million range compared to an EBITDA loss (before exceptional charges) of £2.8 million for the six months to 28 February 2010. The exceptional charges in the first half of the financial year related to a £2.14 million charge on conversion of vessel charter commitments into shares following the General Meeting held on 9 September 2009.

The Group's cash balance at 31 August 2010 was £3.44 million (compared to £1.38 million at 28

February 2010) and includes the benefit of approximately £1.90 million of payments deferred by ETS from OHM Ltd which are due under the amended charter agreements.

The figures for the six months to 31 August 2010 are unaudited and have yet to be reviewed by the Group's independent auditors.

Following Completion, management attention will be directed towards growing the technology and consulting business of the Remaining Group. Several key areas will be targeted, including:

- Continued development of a fully integrated seismic and CSEM interpretation environment in order to capitalise on the Company's WISE integration strategy;
- Investment in sales and marketing resources and activities to accelerate revenue growth in the Company's seismic inversion business unit;
- Establishment of the Remaining Group as the only independent and integrated CSEM processing supplier, a unique position in the geophysical services industry which can be leveraged in a number of key areas; and
- Comprehensive review of overheads in the Remaining Group with a view to a reduction in overheads and an increase in overall margins.

Seismic data remains the geophysical tool of choice for subsurface exploration and exploitation of oil and gas resources. However, the combination of non-seismic data (such as well-logs, CSEM and MT) adds value to seismic and is becoming increasingly important too in areas where seismic alone provides an incomplete or ambiguous result. The Remaining Group, with its expertise in seismic, well-logs, CSEM and MT processing and interpretation is strongly positioned to take advantage of these integration opportunities.

Dr. Lucy MacGregor, PLC CTO commented: "The value of CSEM and MT surveying is realised only when these data are properly integrated with well and seismic information. This transaction creates a unique and independent consulting organisation, with the technology and experience to undertake high end seismic and well-driven reservoir characterisation projects but also with a world-class suite of tools and expertise to process, interpret and integrate electromagnetic data."

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