

Offshore Hydrocarbon Mapping plc

**Interim Report and Condensed Financial Statements
for the six months ended 29 February 2008**

Offshore Hydrocarbon Mapping plc
Condensed Interim report and financial statements
For the six months to 29 February 2008

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Directors:

David Charles Newall Pratt (Executive Chairman)

Robert Ian Auckland (Chief Financial Officer)

Dr Lucy Margaret MacGregor (Chief Scientific Officer)

Keith Lough (Non-executive Director)

Thierry Joseph Marie Le Roux (Non-executive Director)

Stephen John Ludlow (Non-executive Director)

(appointed 17 January 2008)

(appointed 17 January 2008)

Secretary and Registered Office:

Robert Ian Auckland,
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London
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Company Number 04329960

Offshore Hydrocarbon Mapping plc Chairman's Statement

This first half year to 29 February 2008 has been a challenging market for all CSEM companies with no large proprietary surveys completed by the Company in the winter season. Against this backdrop OHM is directly addressing market adoption and our market penetration through the strategic developments announced last year. We remain focused on developing the reach of CSEM, and OHM as a leading developer of the technology, in the following ways:

- Increasing our sales channels through our relationship with CGG Veritas, the world's largest seismic company;
- Enhancing the operating window of our CSEM surveys in terms of weather tolerance of our field crews, depth of targets that can be imaged, and developing solutions for challenging geological problems, like imaging of sediments below basalts and salt. We are the only CSEM provider able to demonstrate a track record of successful performance in shallow water CSEM surveys;
- Further improving the efficiency and quality of our surveys including the anticipated introduction of our third crew on the vessel, OHM Leader, enabling us to operate effectively in multiple regions; and
- Continued commitment to R&D aimed at integrating CSEM with seismic and reservoir data to enable CSEM to become a major tool in development and management of reservoirs as well as in efficient exploration.

We remain of the view that the value-proposition for exploration and production companies in using CSEM represents a market of significant growth potential for OHM.

Controlled Source Electromagnetic imaging (CSEM) measures and maps subsurface electrical resistivity. In the oil and gas industry, CSEM is a game changing application where this electrical resistivity can be used as a direct hydrocarbon indicator.

The OHM Group leads the industry in developing, improving and integrating CSEM technologies with other existing technologies and we have the quality of people and resources to continue to be at the forefront of the industry. There are many hurdles to cross in making this technology commercially operational. Developing and producing effective high-power electromagnetic transmitters and extremely sensitive electromagnetic receivers poses significant engineering design challenges. Creating the complex mathematical analysis code to create meaningful images of the subsurface from the measurements made in CSEM in the presence of real-world noise and signal distortion requires theoreticians and computer scientists of the highest calibre.

The challenge the Company now faces is to achieve mass adoption of the CSEM technique by an industry that is generally slow to embrace new technologies. To date, we have made significant progress in assisting the early adopters of technology, like Exxonmobil and Shell, to appreciate the benefits of CSEM. We also have seen encouraging take-up by a number of oil companies of various sizes who recognise the value of the information that CSEM provides. We are pleased to note that our client base has expanded to over 40 companies.

As the investment community shies away from funding exploration due to the current very high cost of and relative lack of success from drilling, we expect more companies to seek ways of reducing the risk of exploration drilling. This, together with increasing awareness of the CSEM technique and application in both deep and shallow water, should ultimately drive more business for OHM.

A recent market research report in the oil service industry (conducted by Welling and Co.) showed that only about a third of the oil companies polled were currently users of CSEM technology confirming our view that there is considerable scope for further growth in the CSEM market. Encouragingly though, three quarters of those who had used the technology were satisfied with the results they achieved.

Offshore Hydrocarbon Mapping plc Chairman's Statement (Continued)

This supports our confidence in the long term growth potential of the CSEM market, and we continue to take steps to position the Company to take advantage of that growth.

We believe that our developing relationship with CGG Veritas will soon see an increase in our marketing penetration while the acquisition and integration of Rock Solid Images has improved the breadth and depth of our overall offering to clients and provided extra skills and depth to our research and development efforts. These factors, together with our data library investment, the results achieved on client surveys and the fact that we are regularly asked to reprocess and reinterpret our competitors' data, lead me to believe that CSEM is here to stay and that OHM will be a highly successful player in the field.

First half operations

In the first half year to 29 February 2008 the Company has experienced difficult and testing trading circumstances. Despite this, we have remained focused on our strategy for building the future of the Company.

We entered FY2008 with an expectation that the growing market for CSEM services would take on a seasonal imprint. Adoption of the technology in North West Europe had been proceeding well and this led to a busy time for our crews in the summer of 2007. As the Northern Hemisphere winter set in we expected this work to come to an end and had made plans to occupy our crews with data library and some large proprietary prospects in Asia and West Africa. Regrettably, these plans were delayed by a number of factors, most significantly being delays incurred in permitting the use of our new technology in various international jurisdictions.

Having sent one crew to Asia on the vessel Energy Miner for a large non-exclusive program, we were forced to demobilise that crew to cut costs when the access permits for the intended work area were delayed. Our strategy of keeping some of our capacity on portable packages that can be rapidly mobilised on and off of vessels served us well in this case.

Our other crew, on OHM Express, completed a number of proprietary programs in the North Sea before being occupied on a large data library program West of Britain. The advanced deployment and recovery systems on this vessel, together with its superior sea-keeping capability allowed the vessel to make safe progress on this program through the winter despite some extremely heavy sea conditions. We have been very pleased with the performance of OHM Express which has, in many cases, exceeded our expectations.

This delay in some work programs together with a focus on data library work has resulted in significantly reduced revenues (of £4.7 million) compared to the preceding half year. As we have fully written-off the costs associated with mobilising to South East Asia in this period, our operations costs are also significantly higher. Both data processing and Rock Solid Images performed broadly in line with our expectations but the contributions from operations in these areas were significantly outweighed by high marine operations costs and accordingly we have posted a loss of £4.0 million. Our cash position at the end of the period remained strong at £14.4 million.

Research and Development

Following our acquisition of Rock Solid Images, we have made good progress on the integration of their research with OHM's research groups. An industry research consortium, called WISE, has been instigated to investigate the potential for quantitative prediction of rock and fluid properties from the combination of controlled source electromagnetic data with surface seismic and well data.

Offshore Hydrocarbon Mapping plc Chairman's Statement (Continued)

We believe that achieving this goal will create a valuable market in the monitoring and management of oil and gas fields throughout their life cycle, with a view to increasing the recovery of hydrocarbon reserves. A significant number of oil companies are currently either members or are in the process of joining. As well as defraying OHM's research costs, this research consortium will provide a bridgehead within the member oil companies which we hope will accelerate the adoption of resultant technologies.

Trading outlook

As we move back towards the North Sea operating season we are seeing an increase in sales enquiries and are starting to build up our order book again. A number of large tenders have been issued and we are hopeful that these will result in significant order intake over the coming weeks.

That being said, our market is still at a very early stage of development and is characterised by quite large swings in the supply / demand balance. Order visibility is not as long as we would like it to be and accordingly the market is currently quite competitive and unpredictable.

Our next vessel, OHM Leader, is presently undergoing conversion at a shipyard in Sweden and is expected to enter service in early June. This vessel is slightly larger than her sister ship, OHM Express, and we expect even greater advances to be made in her safe operating envelope. The CSEM equipment for the vessel is mostly delivered and is in the process of being tested. Recruitment and training has been ongoing over the last months both in offshore staff, and also in onshore data processing staff to deal with the data the vessel generates.

Our relationship with CGGVeritas, one of the world's leading seismic contractors, continues to flourish. Since the execution of our agreement we have been working with CGGVeritas to train members of their sales force on the benefits of CSEM and we are now beginning to see the first signs of sales pipeline generation through CGGVeritas' sales channels. We are focused on gaining momentum from these sales efforts.

Whilst our operating results for the period are clearly below what we desire, much has been achieved in building for the future and none of this progress of your Company could have been achieved without the dedication and hard work of our staff and I would like to extend my thanks to them for their efforts and resilience.



David Pratt
Chairman

Offshore Hydrocarbon Mapping plc
Condensed Group Income Statement
For the six months ended 29 February 2008

	Note	Six months to 29 February 2008 (Unaudited) £'000	Six months to 28 February 2007 (Unaudited) £'000	Year to 31 August 2007 (Audited) £'000
Revenue		4,744	7,643	17,731
Cost of sales		5,113	6,941	14,790
Gross profit		(369)	702	2,941
Administrative expenses		4,153	2,017	4,084
Group operating loss		(4,522)	(1,315)	(1,143)
Finance income		507	71	154
Finance costs		(10)	(4)	(9)
Loss before taxation		(4,025)	(1,248)	(998)
Income tax expense	4	(28)	(53)	(59)
Loss for the period		(4,053)	(1,301)	(1,057)
Loss per ordinary share				
Basic	5	(9.40) p	(4.23) p	(3.35) p
Diluted	5	(9.40) p	(4.23) p	(3.35) p

No dividends were declared in any period disclosed.

Offshore Hydrocarbon Mapping plc
Condensed Group Balance Sheet
At 29 February 2008

	Note	At 29 February 2008 (Unaudited) £'000	At 28 February 2007 (Unaudited) £'000	At 31 August 2007 (Audited) '000
Assets				
Non-current assets				
Intangible assets - goodwill		10,408	-	10,229
- multi client data library		3,423	1,575	2,241
- software		2,062	189	2,089
- patent costs		825	246	746
- consortium fees		147	-	152
	6	<u>16,865</u>	<u>2,010</u>	<u>15,457</u>
Plant and equipment	7	<u>3,493</u>	<u>2,209</u>	<u>2,435</u>
		20,358	4,219	17,892
Current assets				
Inventories		652	400	634
Trade and other receivables	8	2,716	1,499	4,682
Cash and cash equivalents	9	14,452	4,774	18,968
		<u>17,820</u>	<u>6,673</u>	<u>24,284</u>
		38,178	10,892	42,176
Total assets				
Liabilities				
Current liabilities				
Trade and other payables	10	4,646	2,975	5,196
Current tax liabilities		93	72	102
Finance leases		52	-	73
		<u>4,791</u>	<u>3,047</u>	<u>5,371</u>
Non current liabilities				
Deferred tax liabilities		728	-	717
Finance leases		21	-	42
Other liabilities		-	-	89
		<u>749</u>	<u>-</u>	<u>848</u>
		5,540	3,047	6,219
Total liabilities				
Net assets				
		<u>32,638</u>	<u>7,845</u>	<u>35,957</u>
Shareholders' equity				
Share capital	11	432	315	426
Share premium		36,668	13,962	36,447
Share based payments reserve		1,177	717	848
Merger reserve		5,355	-	5,355
Retained earnings		(10,958)	(7,149)	(6,905)
Cumulative translation reserve		(36)	-	(214)
		<u>32,638</u>	<u>7,845</u>	<u>35,957</u>
Total shareholders' equity				

Offshore Hydrocarbon Mapping plc

Condensed Group Statement of Changes in Equity

For the six months ended 29 February 2008

	Attributable to equity holders of the parent company						Total equity (Unaudited) £'000
	Share capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Share based payments reserve (Unaudited) £'000	Merger reserve (Unaudited) £'000	Retained earnings (Unaudited) £'000	Translation reserve (Unaudited) £'000	
At 1 September 2006	300	12,178	496	-	(5,813)	-	7,161
Loss for the period	-	-	-	-	(1,301)	-	(1,301)
Total recognised income and expense	-	-	-	-	(1,301)	-	(1,301)
Share based payments charge	-	-	221	-	-	-	221
Other adjustments	-	-	-	-	(35)	-	(35)
Share placing	15	1,860	-	-	-	-	1,875
Share issue costs	-	(76)	-	-	-	-	(76)
At 28 February 2007	315	13,962	717	-	(7,149)	-	7,845
Foreign currency translation difference arising on consolidation of subsidiaries	-	-	-	-	-	(214)	(214)
Loss for the period	-	-	-	-	244	-	244
Total recognised income and expense	-	-	-	-	244	(214)	30
Share based payments charge	-	-	131	-	-	-	131
Share placing	111	22,863	-	5,355	-	-	28,329
Share issue costs	-	(378)	-	-	-	-	(378)
At 31 August 2007	426	36,447	848	5,355	(6,905)	(214)	35,957
Foreign currency translation difference arising on consolidation of subsidiaries	-	-	-	-	-	178	178
Loss for the period	-	-	-	-	(4,053)	-	(4,053)
Total recognised income and expense	-	-	-	-	(4,053)	178	(3,875)
Share based payments charge	-	-	425	-	-	-	425
Purchase of own shares	-	-	(96)	-	-	-	(96)
Share issues	6	221	-	-	-	-	227
At 29 February 2008	432	36,668	1,177	5,355	(10,958)	(36)	32,638

The movements in the share based payments reserve represents the fair value of the shares to be awarded under the Group's Share Option Plans and Share Award and Bonus Plans together with treasury share transactions which satisfy these obligations. Corresponding amounts for the share based charges 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.

The merger reserve represents the excess of the fair value of the shares issued over the nominal value which is recorded when shares are issued in exchange for shares to effect an investment in an undertaking.

Retained earnings comprise net gains and losses recognised in the Income Statement.

The translation reserve comprises gains and losses arising on the translation of the net assets of overseas operations.

Offshore Hydrocarbon Mapping plc
Condensed Group Cashflow Statement
For the six months ended 29 February 2008

	Note	Six months to 29 February 2008 (Unaudited) £'000	Six months to 28 February 2007 (Unaudited) £'000	Year to 31 August 2007 (Audited) £'000
Cash flow from operating activities				
Loss before taxation		(4,025)	(1,248)	(998)
Adjustments for:				
Depreciation of plant and equipment		830	749	1,437
Amortisation of intangible fixed assets		330	18	45
Share based payments charge		425	221	352
Intangible asset transfer from balance sheet		706	492	812
Loss on disposal of plant and equipment		3	53	47
Finance income		(507)	(71)	(154)
Finance cost		10	4	9
Operating (loss) / profit before changes in working capital and provisions		(2,228)	218	1,550
Increase in inventories		(18)	(248)	(482)
Decrease/(increase) in trade and other receivables		1,966	717	(1,587)
(Decrease)/increase in trade and other payables		(598)	436	509
Cash (absorbed by)/generated from operations		(878)	1,123	(10)
Interest paid		(10)	(4)	(9)
Foreign taxes paid		(28)	(53)	(59)
Net cash flows from operating activities		(916)	1,066	(78)
Cash flows from investing activities				
Payments to acquire multi client data library		(2,012)	(1,269)	(1,528)
Payments to acquire software		(106)	(58)	(125)
Payments to acquire patents		(97)	(72)	(150)
Payments to acquire plant and equipment		(1,885)	(167)	(753)
Proceeds from sale of plant and equipment		4	-	3
Net cash outflow on acquisition of subsidiary		(20)	-	(6,402)
Interest received		507	71	154
Net cash used in investing activities		(3,609)	(1,495)	(8,801)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		227	1,875	24,830
Share issue expenses		-	(76)	(454)
Purchase of own shares		(96)	(35)	(35)
Repayment of line of credit		(89)	-	-
Finance leases obligations		(41)	-	-
Net cash from financing activities		1	1,764	24,341
Net (decrease) / increase in cash and cash equivalents		(4,524)	1,335	15,462
Opening cash and cash equivalents		18,968	3,439	3,439
Effect of foreign exchange rate changes		8	-	67
Closing cash and cash equivalents	9	14,452	4,774	18,968

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Financial Statements

For the six months ended 29 February 2008

1 Basis of preparation and accounting policies

The interim condensed financial statements for the six months ended 29 February 2008 have been prepared using the recognition and measurement principles of IFRS and in accordance with IAS 34 "Interim Reporting" as adopted by the European Union.

The accounting policies used in the preparation of these condensed financial statements are set out in the statutory financial statements for the year ended 31 August 2007. There have been no changes in accounting policies and accounting estimates.

These interim condensed financial statements have been prepared in accordance with the accounting policies that the Group expects to be applicable at 31 August 2008.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ending 31 August 2008, but have no material impact on the Group:

- IAS 1 'Amendments to capital disclosures' - effective for annual periods beginning on or after 1 January 2007.
- IFRS 7 'Financial Instruments: Disclosures' - effective for annual periods beginning on or after 1 January 2007.
- IFRIC 10 'Interim Financial Reporting and Impairments' - effective for annual periods beginning on or after 1 November 2006 .
- IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions' - effective for annual periods beginning on or after 1 March 2007.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 31 August 2008 and have not been early adopted:

- IAS 1 (Revised 2007): Presentation of financial statements - effective for annual periods beginning on or after 1 January 2009 (*)
- Amendments IAS 1 and IAS 32: Financial Instruments: Presentation (Puttable instruments and obligations arising on a liquidation) - effective for annual periods beginning on or after 1 January 2009 (*)
- IAS 23 'Borrowing Costs (Revised)'- effective for annual periods beginning on or after 1 January 2009 (*)
- Amendments to IFRS 2: Share-based Payment (Vesting conditions and cancellations) - effective for annual periods beginning on or after 1 January 2009 (*)
- IFRS 3 (Revised 2008): Business Combinations and complementary amendments to IAS 27*: Consolidated and Separate Financial Statements - effective for annual periods beginning on or after 1 January 2009 (*)
- IFRS 8 'Operating Segments' - effective for annual periods beginning on or after 1 January 2009
- IFRIC 12 'Service Concession Arrangements'- effective for annual periods beginning on or after 1 January 2008 (*)
- IFRIC 13 'Customer Loyalty Programmes'- effective for annual periods beginning on or after 1 July 2008 (*)
- IFRIC 14 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'- effective for annual periods beginning on or after 1 January 2009 (*)

(*) -These standards and interpretations are not endorsed by the EU at present.

The financial information contained within this interim report does not comprise statutory financial statements as defined in s240 of the Companies Act 1985.

The comparatives for the full year ended 31 August 2007 are not the Company's full statutory financial statements for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Financial Statements

For the six months ended 29 February 2008 (Continued)

2 Seasonality of operations

Due to the seasonal nature of the Controlled Source ElectroMagnetic (CSEM) business, higher revenues and operating profits are usually expected in the second half of the year than in the first six months. Higher revenues during the summer period are mainly attributed to the increase in demand for data acquisition services in the North Sea and North Atlantic where there is a higher level of adoption of the CSEM technology.

3 Segmental reporting

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 29 February 2008 the Group is organised into two reportable business segments - Controlled Source ElectroMagnetic (CSEM) business and Well and Surface Seismic (WSS) business.

Controlled Source ElectroMagnetic (CSEM)

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 for its CSEM activities into further 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 these assets specifically to any geographical region.

Well and Surface Seismic (WSS)

Rock Solid Images (RSI) is the industry leader in the integration of fundamental rock physics with well data and surface seismic in order to interpret geophysical signatures in terms of reservoir properties.

The acquisition of Rock Solid Images, which took place in August 2007, will allow highly valuable information to be gained from the intelligent combination of CSEM and seismic data, calibrated by well log information. The Group considers that these two remote sensing measurements are completely complementary and, when properly combined, can lead to quantitative measurement of important rock and fluid properties such as permeability and hydrocarbon saturation.

Segment results

	Revenues			Operating loss		
	Six months to 29 February 2008 £'000	Six months to 28 February 2007 £'000	Year ended 31 August 2007 £'000	Six months to 29 February 2008 £'000	Six months to 28 February 2007 £'000	Year ended 31 August 2007 £'000
CSEM	3,237	7,643	17,645	(3,510)	(1,315)	(1,141)
WSS	1,507	-	86	(1,012)	-	(2)
Total	4,744	7,643	17,731	(4,522)	(1,315)	(1,143)

Offshore Hydrocarbon Mapping plc

Notes to the Condensed Interim Financial Statements

For the six months ended 29 February 2008 (Continued)

4 Income tax expense

	Six months to 29 February 2008 (Unaudited) £'000	Six months to 28 February 2007 (Unaudited) £'000	Year to 31 August 2007 (Audited) £'000
<i>UK Corporation tax</i>			
Corporation tax	-	-	-
<i>Foreign tax</i>			
Current tax on foreign income for the year	(28)	(53)	(59)
Income tax expense as reported in the Condensed Group Income Statement	<u>(28)</u>	<u>(53)</u>	<u>(59)</u>

5 Loss per share

Loss 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 29 February 2008 was 43,114,072 (six months to 28 February 2007: 30,762,359, year to 31 August 2007: 31,523,761).

Losses after tax are £4,053,000 (Six months to 28 February 2007: loss of £1,301,000, year to 31 August 2007: loss of £1,057,000)

	Six months to 29 February 2008 (Unaudited) Shares	Six months to 28 February 2007 (Unaudited) Shares	Year to 31 August 2007 (Audited) Shares
Reconciliation of denominator for diluted EPS calculation			
Number of shares used in calculation of basic EPS	43,114,072	30,762,359	31,523,761
Dilutive potential ordinary shares held under Share Option Plan and Share Award and Annual Bonus Plans	-	-	-
Number of shares used in calculation of diluted EPS	<u>43,114,072</u>	<u>30,762,359</u>	<u>31,523,761</u>

In, both 2008 and 2007, the loss for the periods has resulted in any potential ordinary shares held under Share Option Plans and Share Award and Annual Bonus Plans 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 29 February 2008 there were 2,617,554 ordinary shares (at 28 February 2007: 2,977,913 ordinary shares, at 31 August 2007: 2,752,233 ordinary shares) held under the Company's Share Option Plans and Share Award and Annual Bonus Plans which could potentially dilute the basic EPS in the future.

6 Intangible assets

	Six months to 29 February 2008 (Unaudited) £'000	Six months to 28 February 2007 (Unaudited) £'000	Year to 31 August 2007 (Audited) £'000
Opening balance	15,457	1,121	1,121
Additions	2,235	1,399	1,803
Acquisition of subsidiary (Rock Solid Images)	-	-	13,639
Transfer to Condensed Group Income Statement	(706)	(492)	(812)
Amortisation	(330)	(18)	(45)
Foreign exchange differences	209	-	(249)
Closing balance	<u>16,865</u>	<u>2,010</u>	<u>15,457</u>

There are no material adjustments to the provisional values relating to the acquisition of Rock Solid Images made on 22 August 2007.

Offshore Hydrocarbon Mapping plc
Notes to the Condensed Interim Financial Statements
For the six months ended 29 February 2008 (Continued)

7 Fixed assets

Plant and equipment	Six months to 29 February 2008 (Unaudited) £'000	Six months to 28 February 2007 (Unaudited) £'000	Year to 31 August 2007 (Audited) £'000
Opening balance	2,435	2,791	2,791
Additions	1,901	167	753
Acquisition of subsidiary (Rock Solid Images)	-	-	458
Disposals	(16)	-	(50)
Depreciation	(838)	(749)	(1,509)
Foreign exchange differences	11	-	(8)
Closing balance	<u>3,493</u>	<u>2,209</u>	<u>2,435</u>

Capital expenditure

Capital expenditure during the six month period amounted to £1,901,000 (28 February 2007: £167,000, 31 August 2007: £753,000) and mainly related to costs associated with the third crew of offshore survey equipment.

8 Trade and other receivables

	At 29 February 2008 (Unaudited) £'000	At 28 February 2007 (Unaudited) £'000	At 31 August 2007 (Audited) £'000
Trade receivables	1,215	310	3,562
Less provision for impairment of trade receivables	-	-	-
	<u>1,215</u>	<u>310</u>	<u>3,562</u>
Other receivables	519	258	482
Prepayments and accrued income	982	931	638
	<u>2,716</u>	<u>1,499</u>	<u>4,682</u>

All amounts shown fall due for payment within one year.

9 Cash and cash equivalents

	At 29 February 2008 (Unaudited) £'000	At 28 February 2007 (Unaudited) £'000	At 31 August 2007 (Audited) £'000
Cash at bank and on hand	6,452	4,774	1,968
Short-term bank deposits	8,000	-	17,000
Cash and cash equivalents	<u>14,452</u>	<u>4,774</u>	<u>18,968</u>
Bank overdraft repayable on demand	-	-	-
	<u>14,452</u>	<u>4,774</u>	<u>18,968</u>

Maturity of short-term bank deposits have original maturity of 3 months or less.

Offshore Hydrocarbon Mapping plc
Notes to the Condensed Interim Financial Statements
For the six months ended 29 February 2008 (Continued)

10 Trade and other payables

	At 29 February 2008 (Unaudited) £'000	At 28 February 2007 (Unaudited) £'000	At 31 August 2007 (Audited) £'000
Trade creditors	2,084	1,794	2,004
Accruals and deferred income	2,562	1,181	3,192
	4,646	2,975	5,196

11 Share capital

	At 29 February 2008 (Unaudited) £'000	At 28 February 2007 (Unaudited) £'000	At 31 August 2007 (Audited) £'000
Authorised 50,000,000 (28 February 2007: 43,000,000, 31 August 2007: 50,000,000) ordinary shares of 1p each	500	430	500
Allotted, called up and fully paid 43,175,110 (28 February 2007: 31,549,652, 31 August 2007: 42,637,148) ordinary shares of 1p each	£'000 432	£'000 315	£'000 426

	Amount raised £'000	Ordinary shares of 1p each Number	£'000
Share capital in issue at 1 September 2007		42,637,148	426
Issued on 17 September 2007	32	457,267	5
Issued on 18 October 2007	195	80,695	1
Share capital in issue at 29 February 2008		43,175,110	432

12 Capital commitments

At 29 February 2008 the Group had capital commitments of £1,059,000 (28 February 2007: £63,000, 31 August 2007: £305,000).

Independent Review Report to Offshore Hydrocarbon Mapping plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 29 February 2008 which comprises Condensed Group Income Statement, Condensed Group Balance Sheet, Condensed Group Statement of Changes in Equity, Condensed Group Cash Flow Statement and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the 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.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 29 February 2008 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

Glasgow

22 April 2008