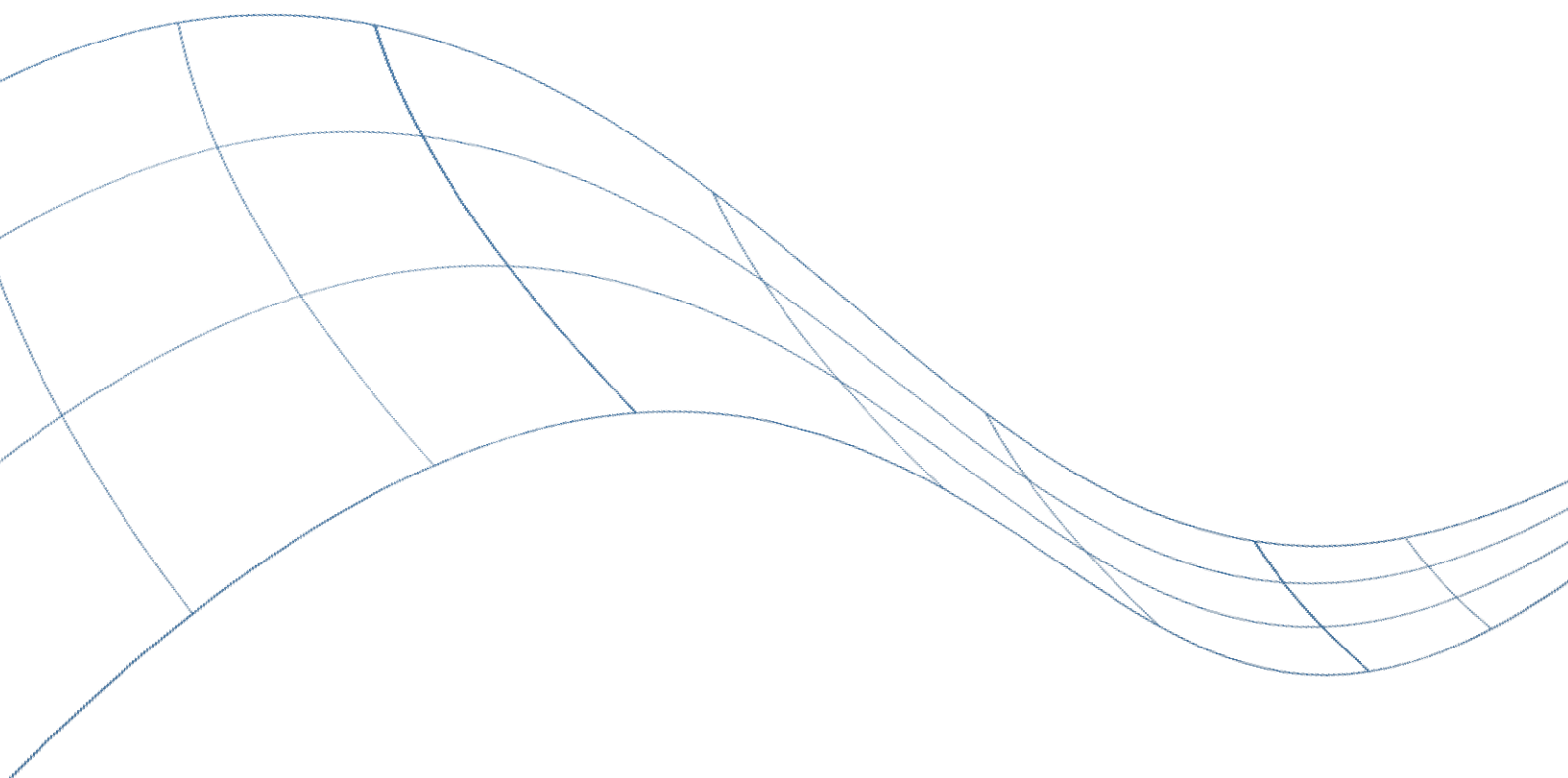


2nd Quarter
Results 2016

Spectrum ASA



Summary Q2 - 16

	SPECTRUM GROUP				
	Quarter ended	Quarter ended	6 months ended	6 months ended	12 Months ended
	30.06.16 (Unaudited)	30.06.15 (Unaudited)	30.06.16 (Unaudited)	30.06.15 (Unaudited)	31.12.15 (Audited)
(USD 1000)					
Net operating revenue	13,601	34,743	31,826	49,630	109,844
EBIT	(9,898)	8,701	(16,690)	4,397	(5,169)
Net Profit / (Loss)	(10,993)	5,286	(18,893)	1,964	(8,654)
Cash flow from operating activities	(6,037)	15,199	37,977	33,193	98,199
Investment in Multi-Client library	7,414	120,244	35,147	133,408	174,618
Multi-Client library Net book value	220,393	233,364	220,393	233,364	220,686
Cash and cash equivalents	14,882	17,445	14,882	17,445	23,373

Q2 Highlights

- Net Multi-Client revenues in the quarter totaled MUSD 13.2 (2015: MUSD 34.5)
- Net Multi-Client revenues were comprised of late sales of MUSD 7.8 (2015: MUSD 31.9), prefunding on Multi-Client investments of MUSD 5.4 (2015: MUSD 2.6)
- EBIT for the quarter was MUSD (9.9) (2015: MUSD 8.7)
- Multi-Client investments were MUSD 7.4 with 73.0% prefunding rate (2015: Multi-Client investments were MUSD 120.2. Investments in new acquisitions were MUSD 11.5 with 22.7% prefunding rate)
- Operational cash flow in Q2 was MUSD (6.0) (2015: MUSD 15.2)

6 months Highlights

- Net Multi-Client revenues totaled MUSD 31.1 (2015: MUSD 49.1)
- Net Multi-Client revenues were comprised of late sales of MUSD 13.3 (2015: MUSD 35.8), prefunding on Multi-Client investments of MUSD 14.6 (2015: MUSD 10.0) and other revenue of MUSD 3.1 (2015: MUSD 3.4).
- EBIT was MUSD (16.7) (2015: MUSD 4.4)
- Multi-Client investments were MUSD 35.1 with 41.7% prefunding rate (2015: Multi-Client investments were MUSD 133.4. Investments in new acquisitions were MUSD 24.8 with 40.3% prefunding rate)
- Operational cash flow was MUSD 38.0 (2015: MUSD 33.2)

Second quarter report for Spectrum ASA

Statement of comprehensive income

Net Multi-Client revenues totaled MUSD 13.2 in the second quarter of 2016 (2015: MUSD 34.5). Prefunding recognized in the quarter was MUSD 5.4 (2015: MUSD 2.6), Late sales ended at MUSD 7.8 (2015: MUSD 31.9). Total net operating revenues for the group were MUSD 13.6 (2015: MUSD 34.7).

Operating expenses were MUSD 5.8 including MUSD (0.2) cost of stock options (2015: MUSD 9.2 including MUSD (0.1) cost of stock options). The decrease is mainly due to reduction in headcounts and an ongoing cost reduction program targeted at specific cost categories.

Multi-Client amortizations in the second quarter ended at 130.9 % of net MC revenue (2015: 46.9%). The amortization level is impacted by amendments in the accounting standards with prospective effect and hence changes in the group's accounting policies and principles for amortization of the Multi-Client library.

EBIT for the second quarter was MUSD (9.9) (2015: MUSD 8.7).

Profit Before Tax in the second quarter ended at MUSD (10.4) (2015: MUSD 7.5).

Net Multi-Client revenues totaled MUSD 31.1 in the first half of 2016 (2015: MUSD 49.1). Prefunding recognized in the first half was MUSD 14.6 (2015: MUSD 10.0), Late sales ended at MUSD 13.3 (2015: MUSD 35.8) and other revenue was MUSD 3.1 (2015: MUSD 3.4). Total net operating revenues for the group were MUSD 31.8 (2015: MUSD 49.6).

Operating expenses for first half 2016 were MUSD 12.0 including MUSD (0.4) cost of stock options (2015: MUSD 17.0 including MUSD 0.5 cost of stock options). The decrease is mainly due to reduction in headcounts and an ongoing cost reduction program targeted at specific cost categories.

Multi-Client amortizations in the first half ended at 114.0 % of net MC revenue (2015: 54.5%). The amortization level is impacted by amendments in the accounting standards with prospective effect and hence changes in the group's accounting policies and principles for amortization of the Multi-Client library.

EBIT for first half was MUSD (16.7) (2015: MUSD 4.4).

Profit Before Tax in first half ended at MUSD (18.4) (2015: MUSD 2.7).

Management has made an assessment of the group's tax position and tax cost in the period based on the results, tax rate and tax treatment in each subsidiary. The estimated tax expense for the first half was MUSD 0.5.

Statement of financial position

The total assets of the group were MUSD 315.4 (*end Q1 2016: MUSD 350.5*) at the end of the quarter, split between non-current assets of MUSD 252.7 (*end Q1 2016: MUSD 261.8*), and current assets of MUSD 62.7 (*end Q1 2016: MUSD 88.7*). These were funded by equity of MUSD 183.1 (*end Q1 2016: MUSD 193.9*), long term liabilities of MUSD 9.2 (*end Q1 2016: MUSD 20.6*) and current liabilities, including accrued revenue share, of MUSD 123.2 (*end Q1 2016: MUSD 136.0*).

During Q2 2016 Spectrum invested MUSD 7.4 (*Q1 2016: MUSD 27.7*). This increase in carrying value of the MC library was offset by amortization of MUSD 17.3 (*Q1 2016: MUSD 18.2*). The net book value of the Multi-Client library at end Q2 is MUSD 220.4 (*end Q1 2016: MUSD 230.3*).

The cash and cash equivalents balance decreased by MUSD 22.8 from end Q1 2016 to MUSD 14.9. Management monitors and forecast cash closely, and considers that the Company has sufficient liquidity to meet its ongoing operational and financial obligations.

The reported equity balance is MUSD 183.1 (*end Q1 2016: MUSD 193.9*). This equates to an equity ratio of 58.0%.

Long term interest bearing debt was MUSD 0.2 (*end Q1 2016: MUSD 12.3*). Short term interest bearing debt was MUSD 49.1 (*end Q1 2016: MUSD 47.0*) and consist mainly of the term loan facility and revolving facility as both facilities are now classified as short term, see note 4.

Cash flow

The cash and cash equivalents balance decreased by MUSD 22.8 from end Q1 2016 to MUSD 14.9.

Net cash flow from operating activities was MUSD (6.0) (*2015: MUSD 15.2*) for the quarter. Working capital increased by MUSD 14.2 (*2015: increase of MUSD 8.8*).

Net cash outflow from investing activities was MUSD 8.1 in the quarter (*2015: MUSD 122.7*) of which MUSD 7.4 was investments in the Multi-Client library (*2015: MUSD 120.2*).

Net cash outflow in the quarter from financing activities was MUSD 10.3 (*2015: inflow of MUSD 107.3*) of which the main part was down payment of the term loan.

For first half 2016 the net cash flow from operating activities was MUSD 38.0 (*2015: MUSD 33.2*). Working capital decreased by MUSD 18.4 (*2015: decrease of MUSD 2.0*).

Net cash outflow from investing activities was MUSD 36.1 in first half 2016 (*2015: MUSD 131.6*) of which MUSD 35.1 was investments in the Multi-Client library (*2015: MUSD 133.4*).

Net cash outflow in the first half 2016 from financing activities was MUSD 11.1 (*2015: MUSD inflow 107.6*)

Multi-Client Operations

Net Multi-Client revenues of MUSD 13.2 in the quarter represent a decrease of 62% vs. 2nd quarter 2015 (2015: MUSD 34.5).

In Q2 10% of the Net Multi-Client revenues came from North and South America (NSA), 36% Africa, Mediterranean and Middle-East (AME), 44% Northwest Europe (NWE) and 10% Asia Pacific (AP).

Spectrum's Multi-Client library is composed of data and reports from many of the major oil producing and frontier regions of the world. The library comprises approximately 3.3 million km of 2D data, making Spectrum the market leader in Multi-Client 2D data. The 2D Multi-Client library presents a number of new opportunities to enhance the value of these datasets through reprocessing in addition to the pipeline of new acquisition surveys that are being developed around the world. Spectrum also holds approximately 160 000 km² of 3D data sets. Furthermore, Spectrum holds 125.000 km² of seamless seismic merged 3D data on the Norwegian continental shelf.

Revenue from Multi-Client sales was 97.1% of total revenue in the second quarter of 2016.

Spectrum signed on 3 November 2015 a cooperation agreement with PGS and Schlumberger for a joint operation in Mexico. The operation has recorded over 61,000 kilometers of modern, long-offset 2D data encompassing all the major hydrocarbon provinces offshore Mexico. Fast Track products are available and final products will be available second half 2016.

Spectrum commenced 4 December 2015 a Multi-Client 2D survey offshore south Somalia. The new acquisition has been specifically designed to complement 20,000 km of existing seismic that was acquired in 2014. The acquisition was completed end April and final products is expected to be available from Q4 2016.

Spectrum, in collaboration with Polarcus and DownUnder GeoSolutions, finished the acquisition of the 3,511 km² MC3D survey over the Vulcan Sub-basin, offshore North West Shelf (Cygnus 3D), Australia, in Q1 2016. Processing will be done by DownUnder GeoSolutions through a broadband Pre-SDM workflow and final processed data will be available from Q3 2016.

Spectrum announced 30 March 2016 a 10,400 kilometer Multi-Client 2D survey offshore Brazil in the Amazonas and Para Maranhao basins along the Equatorial Margin of Brazil. The new acquisition program will tie five of Spectrum's Northern Margin programs producing a

continuous dataset from the French Guyana border through the Potiguar basin. The acquisition was completed mid June. The data is being processed in Spectrum's processing center in Houston. PreSTM, PreSDM and Broadband products will be available in Q4 2016.

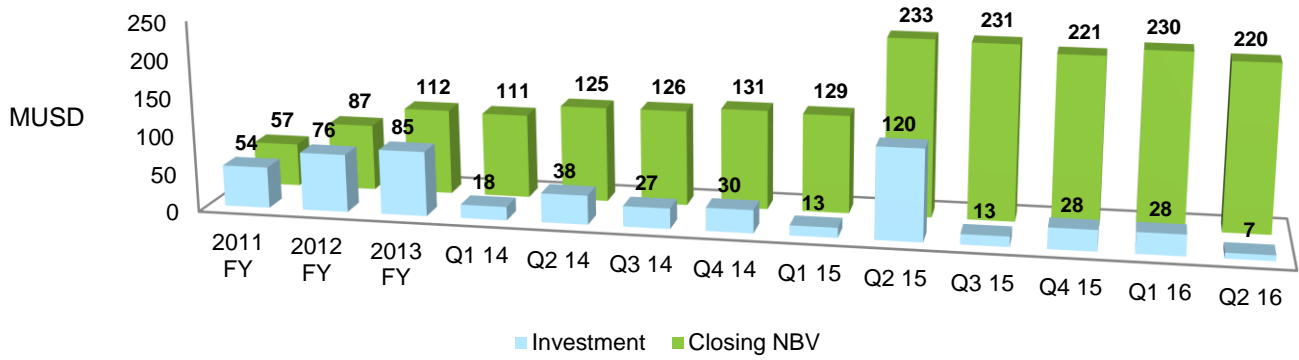
Mid July 2016 Spectrum commenced a 15,000 km Multi-Client 2D survey offshore Brazil in the Santos and Campos Basins. The new acquisition program is an outboard extension of Spectrum's 2012 Santos Campos Phase 1 survey, and will tie other programs in the Santos, Campos and Espirito Santo Basins producing a continuous dataset covering the prolific pre-salt oil fields in these basins. The survey is acquired in partnership with BGP and is supported with industry funding. PSTM, PSDM and Broadband products are expected to be available in Q2 2017.

Near the end of July, Spectrum commenced broadband reprocessing of its Zeus and Zeebries 3D datasets as part of an extensive (21,300 sqkm) new Broadband 3D seismic project that is set to facilitate exploration offshore NW Australia. The Olympus Project will provide a regional viewpoint along one of the most prolific trends on the NW Shelf. The surveys will be processed through high-end broadband PSTM and PSDM sequences bringing modern imaging uplift to this complex geological region of the North Carnarvon Basin. In association with Searcher Seismic, Spectrum are applying this technique to an additional 20 open file datasets which adjoin Spectrum's Zeus and Zeebries surveys. The full suite of datasets, known as the 'Olympus Project' will be processed from field tapes by DownUnder GeoSolutions (DUG) and merged to form one conformable regional 3D volume. The project has received strong industry interest and funding. Full final PSTM products are expected to be available Q2 2017 and PSDM Q3 2017.

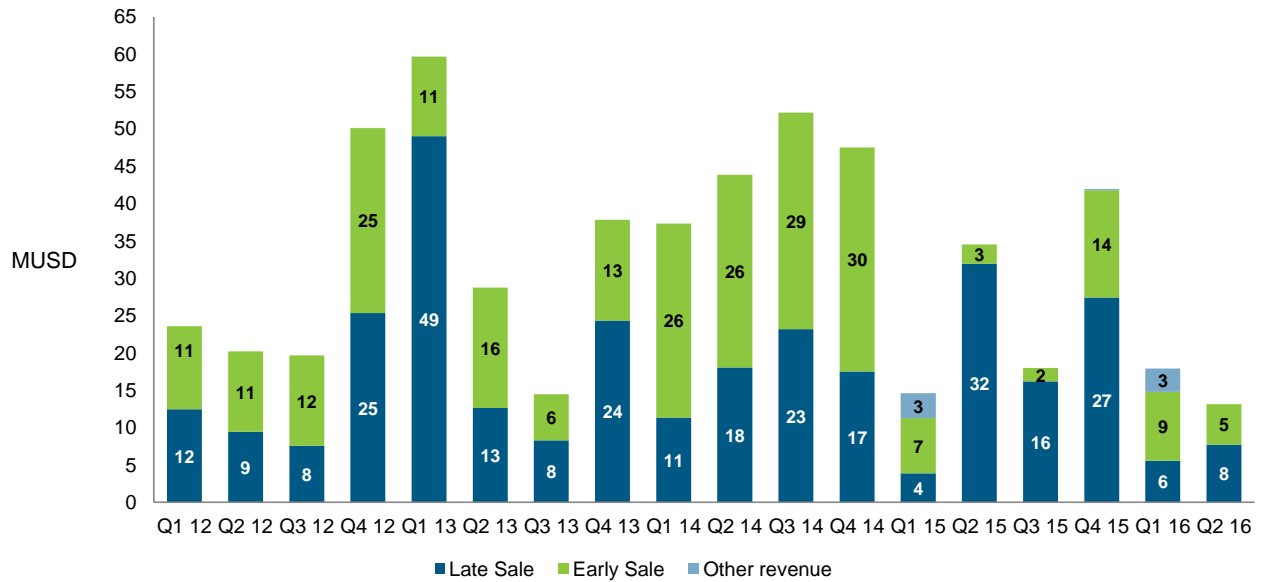
Multi-Client Key Figures

(USD 1000)	Spectrum Group	
	Q2 16	Q2 15
Net early sales	5,410	2,605
Net late sales	7,793	31,920
Other sales	-	-
Net revenue	13,203	34,525
Investment	7,414	120,244

Investment in the Multi-Client Library



Net Multi-Client Revenues



Seismic Imaging

Seismic imaging is provided from the group's processing centres in UK, US, Egypt and Indonesia. Spectrum's seismic processing technology is based on third party software complemented by Spectrum's production processing platform, which is constantly being enhanced with new processing techniques.

The seismic imaging division had proprietary revenues of MUSD 0.4 (2015: MUSD 0.2) in the quarter. In the second quarter 91% (2015: 94%) of the capacity of Spectrum's seismic imaging business unit was utilized in processing data for the Multi-Client library.

The seismic data imaging division provides a valuable service to the Spectrum Multi-Client segment and had reprocessing projects totalling 143,671 km in second quarter in addition to processing of data from on-going new acquisitions.

Seismic Imaging Key Figures

(USD 1000)	Spectrum Group	
	Q2 16	Q2 15
External revenue	398	218
Internal revenue	3,897	3,555
Total gross revenue	4,295	3,773

Subsequent Events

Spectrum announced mid July 2016 a 15,000 kilometer Multi-Client 2D survey offshore Brazil in the Santos and Campos Basins.

The new acquisition program is an outboard extension of Spectrum's 2012 Santos Campos Phase 1 survey, and will tie other programs in the Santos, Campos and Espirito Santo Basins producing a continuous dataset covering the prolific pre-salt oil fields in these basins.

The products are expected to be available in Q2 2017. The survey is acquired in partnership with BGP and is supported with industry funding.

Spectrum announced near the end of July 2016 a broadband reprocessing of its Zeus and Zeebries 3D datasets as part of an extensive new Broadband 3D seismic project that is set to facilitate exploration offshore NW Australia.

The project has received strong interest and funding. The products are expected to be available in Q2 and Q3 2017.

Future prospects

Spectrum is continuously working on a pipeline of new Multi-Client 2D (MC2D) and Multi-Client 3D (MC3D) acquisition projects. Sales from the MC library and prefunding of new projects constitute the main revenue streams for the Company and fund the operation and new investments in MC projects.

In order to maintain a modern library Spectrum reprocesses selected projects to enhance quality and value.

MC3D surveys are a natural extension of Spectrum's growing MC2D business and in line with our strategy to diversify the Multi-Client library.

Spectrum is an asset light company that stringently

evaluates potential investments in new Multi-Client surveys with focus on prefunding levels and future sales triggers. We appreciate that attracting prefunding is more challenging in the current market vs previous periods, and our focus will be sales from our existing library and being prudent in terms of new Multi-Client investments decisions.

Given the current market conditions it is of outmost importance to carefully evaluate all potential projects for prefunding and sales potential. Our investment portfolio criteria are as such more focused on quality of the investments as opposed to quantity. Spectrum believes that there is an attractive project and sales pipeline in place for the next twelve months.

Statement of financial compliance

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Spectrum ASA unaudited consolidated interim financial statements as of 30 June 2016.

To the best of our knowledge, we confirm that:

The Spectrum ASA consolidated interim financial statements for the first half of 2016 have been prepared in accordance with IAS 34 Interim Financial Statements and additional disclosure requirements in the Norwegian Securities Trading Act, and that the interim financial statements for the first half of 2016 gives a true and fair view of the company's and the group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the information presented in the interim financial statements gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of the group.

Oslo 12th August 2016

.....
Ingrid Leisner

.....
Pål Stampe
(Chairman)

.....
Glen Rødland

.....
Linda Rudolfsen Myklebust

.....
Maria Tallaksen

.....
Jogeir Romestrand

.....
Rune Eng
(CEO)

Interim statement of comprehensive income

		SPECTRUM GROUP				
		Quarter ended	Quarter ended	6 months ended	6 months ended	12 months ended
		30.06.16	30.06.15	30.06.16	30.06.15	31.12.15
(USD 1000)	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net operating revenue	3	13,601	34,743	31,826	49,630	109,844
Amortisation of Multi-Client library		(17,284)	(16,186)	(35,440)	(26,797)	(64,627)
Impairment of Multi-Client library		-	-	-	-	(16,062)
Operating expenses		(6,004)	(9,336)	(12,437)	(16,534)	(30,231)
Cost of share options		216	141	397	(474)	(682)
Share of profit/(loss) of joint ventures		131	-	131	-	(237)
Depreciation		(559)	(662)	(1,167)	(1,427)	(3,173)
EBIT		(9,898)	8,701	(16,690)	4,397	(5,169)
Interest expense, net		(478)	(835)	(992)	(895)	(2,107)
Foreign exchange profit / (loss)		185	328	(203)	(92)	(558)
Other financial items		(204)	(681)	(491)	(712)	(1,000)
Profit / (Loss) before tax		(10,396)	7,513	(18,377)	2,699	(8,835)
Tax income / (expense)		(597)	(2,227)	(517)	(735)	181
Net Profit / (Loss) to equity holders		(10,993)	5,286	(18,893)	1,964	(8,654)
Total Comprehensive income / (loss) for the period		(10,993)	5,286	(18,893)	1,964	(8,654)
Earnings per share		(0.21)	0.12	(0.35)	0.05	(0.18)
Diluted earnings per share		(0.21)	0.11	(0.35)	0.04	(0.18)
(Shares 1000)						
Basic shares outstanding average		53,449	43,761	53,449	43,119	48,448
Diluted shares outstanding average		59,247	49,690	59,247	49,566	54,458
Basic shares issued end of the quarter		53,449	53,327	53,449	53,327	53,449
Diluted shares issued end of the quarter		59,247	59,125	59,247	59,125	59,247

Interim consolidated statement of Financial Position

(USD 1000)	Note	SPECTRUM GROUP		
		30.06.16 (Unaudited)	31.03.16 (Unaudited)	31.12.15 (Audited)
Assets				
Non-current assets				
Deferred tax assets		3,388	3,271	2,592
Goodwill		14,824	14,824	14,824
Software		999	1,201	1,252
Multi-Client library		220,393	230,263	220,686
Investment in Joint Ventures		2,511	2,380	2,380
Fixtures, fittings and office equipment		2,180	1,846	2,182
Other receivables		8,416	8,015	7,618
Total non-current assets		252,712	261,801	251,534
Current assets				
Work in Progress		18,079	15,094	30,838
Accounts receivable		8,350	13,995	29,878
Other receivables		21,424	21,928	21,257
Cash and cash equivalents		14,882	37,674	23,373
Total current assets		62,735	88,690	105,345
Total assets		315,447	350,492	356,880
Shareholders' Equity and Liabilities				
Shareholders' equity				
Share capital		8,826	8,826	8,826
Share premium		69,885	69,885	69,885
Other paid-in capital		60,169	59,990	59,788
Retained earnings		46,655	57,647	65,548
Foreign translation reserve		(2,467)	(2,467)	(2,467)
Total equity		183,067	193,881	201,580
Liabilities				
Long term liabilities				
Deferred tax liability		4,641	3,928	3,494
Long term interest bearing debt		204	12,312	11,736
Other liabilities		4,379	4,379	4,379
Total long term liabilities		9,225	20,619	19,609
Current liabilities				
Short term interest bearing debt	4	49,087	47,014	46,868
Accounts payable		56,061	49,755	41,212
Tax and other public duties payable		2,527	4,694	3,422
Other liabilities		15,480	34,529	44,190
Total current liabilities		123,155	135,992	135,692
Total shareholders' equity and liabilities		315,447	350,492	356,880

Interim consolidated statement of changes in equity

SPECTRUM GROUP						
(USD 1000)	Issued Capital	Share Premium	Other Paid in Capital	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
At 31 December 2014	7,473	29,195	58,909	81,156	(2,467)	174,267
Share options granted			439			439
Share issues	1,338	40,226				41,564
Profit / (Loss) for period				1,964		1,964
Transaction cost share issues				(1,448)		(1,448)
Dividends				(5,749)		(5,749)
At 30 June 2015	8,811	69,421	59,348	75,923	(2,467)	211,036
Share options			440			440
Share issues	15	464				479
Profit / (Loss) for period				(10,618)		(10,618)
Transaction cost share issues				244		244
At 31 December 2015	8,826	69,885	59,788	65,548	(2,467)	201,580
Share options			381			381
Profit / (Loss) for period				(18,893)		(18,893)
At 30 June 2016	8,826	69,885	60,169	46,655	(2,467)	183,067

Interim consolidated statement of cash flows

(USD 1000)	SPECTRUM GROUP				
	Quarter ended	Quarter ended	6 months ended	6 months ended	12 months ended
	30.06.16 (Unaudited)	30.06.15 (Unaudited)	30.06.16 (Unaudited)	30.06.15 (Unaudited)	31.12.15 (Audited)
Cash flows from operating activities:					
Profit / (Loss) before tax	(10,396)	7,513	(18,377)	2,699	(8,835)
Income taxes/other taxes paid	-	(1,085)	(32)	(1,085)	(4,535)
Depreciation, amortisation and impairment	17,843	16,848	36,607	28,224	83,862
Interest expense, net	478	835	992	895	2,107
Other financial items	-	-	-	-	-
Share options granted	216	(141)	397	474	682
Working capital changes	(14,179)	(8,771)	18,389	1,986	24,917
Net cash flow from operating activities	(6,037)	15,199	37,977	33,193	98,199
Cash flows from investing activities:					
Investment in Multi-Client library	(7,414)	(29,051)	(35,147)	(42,215)	(82,965)
Investment in subsidiaries net of cash	-	(91,193)	-	(91,193)	(91,653)
Investment in other assets	(691)	(2,439)	(912)	(2,716)	(3,311)
Sale / Disposal of assets	-	-	-	4,507	4,507
Net cash flow from investing activities	(8,105)	(122,683)	(36,059)	(131,617)	(173,422)
Cash flows from financing activities:					
Issued share capital	-	40,156	-	40,860	42,043
Equity transaction costs	-	(1,429)	-	(1,429)	(1,204)
Repayment of capital and dividends	-	(5,797)	-	(5,797)	(5,749)
Proceeds of borrowings	529	74,800	529	74,800	74,800
Payment of borrowings	(10,263)	(382)	(10,599)	(800)	(16,732)
Interest paid	(536)	(40)	(1,061)	(80)	(1,347)
Net cash flow from financing activities	(10,270)	107,308	(11,131)	107,554	91,812
Net change in cash and cash equivalents	(24,413)	(176)	(9,213)	9,130	16,587
Net change in cash and cash equivalents, discontinued operations	-	-	-	-	-
Net foreign exchange diff (unrealised)	1,621	(49)	723	(49)	(1,579)
Cash and cash equivalents at start of period	37,674	17,670	23,373	8,364	8,364
Cash and cash equivalents at end of period	14,882	17,445	14,882	17,445	23,373

Notes to accounts

NOTE 1 - GENERAL INFORMATION

Spectrum ASA (the company) is a public limited company listed on the Oslo Stock Exchange. The address of the registered office is Sjølyst Plass 2, N-0278 Oslo, Norway.

NOTE 2 – BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. The consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries, Spectrum's interest in equity accounted joint ventures and the proportionate share of the assets, liabilities, income and expenses of jointly controlled operations as at 30th June 2016. The reporting period of subsidiaries coincides with that of the group, and the financial statements of the subsidiaries are prepared using accounting policies consistent with the group's policies. The accounting policies used in the preparation of these accounts are consistent with those followed to prepare the Company's Consolidated Financial Statements for the year ended 31st December 2015. Full details of the policies are described in note 1 of those accounts and are available from the registered office and on the company's website. The group's accounting policies and principles for amortization of the Multi-Client library has changed 1 January 2016 with prospective effect due to amendments in IAS 38 "Intangible assets".

All intra-group balances, income and expenses resulting from intra-group transactions are eliminated in full. The accounting policies for Multi-Client libraries and revenue recognition are considered by management to have a significant effect on the company's accounts and are listed below.

Intangible assets

Multi-Client libraries represent seismic surveys for which Spectrum has the right to license copies to multiple different customers. These surveys can be complete or in progress at the date of financial position, and are categorized as non-current intangible assets. They are recorded at cost (or fair value/cost where purchased from a third party) less accumulated amortization and impairment losses.

Amortization of Multi-Client library

During the work in progress (WIP) phase amortization is calculated based on total cost versus forecasted total revenues of the project. This ratio is applied to the revenue recognized for the survey.

After a project is completed, a straight-line amortization is applied. The straight-line amortization will be assigned over the project's remaining useful life, which for most projects is expected to be 4 years. The straight-line amortization will be distributed evenly through the financial year independently of sales during the quarters.

For purchased libraries the group applies a linear amortization over the estimated remaining life of the libraries.

The minimum amortization policy discontinued from 1 January 2016. The changes have prospective effect.

Revenue recognition

Early sales – When the Spectrum Group obtains funding for a particular survey before it is completed in data processing, revenue is recognized on a percentage of completion basis.

Late sales – Revenue earned on completed surveys is recognized at the time of the transaction when the customer executes a valid license agreement and has the right to access the licensed data.

The new IFRS 15 "Revenue from contracts with customers" has been issued by IASB and FASB for periods starting on or after 1 January 2018. The standard has not yet been approved by the EU. The standard may significantly impact the reporting of Early sales for the Group.

Impairment

Spectrum reviews the carrying value of its Multi-Client libraries when there are events and changes in circumstances that indicate that the carrying value of the survey may not be recoverable. Impairment indicators have been assessed as of end Q2 2016 and no impairment on projects have been deemed necessary.

NOTE 3 – SEGMENT INFORMATION

Spectrum is a pure play Multi-Client company and management has organized the entity as one segment based upon services provided. Consequently the company has one segment as defined in IFRS 8 Operating segments. Multi-Client consist of 97.1% of the Group`s total revenue.

	Spectrum Group				
	Quarter ended	Quarter ended	6 months ended	6 months ended	12 months ended
	30.06.16 (Unaudited)	30.06.15 (Unaudited)	30.06.16 (Unaudited)	30.06.15 (Unaudited)	31.12.15 (Audited)
(USD 1000)					
Gross revenue	13,902	38,344	32,825	54,973	128,696
Revenue share	(302)	(3,819)	(1,000)	(5,842)	(19,678)
Net early sales	5,410	2,605	14,649	9,992	26,141
Net late sales	7,793	31,920	13,333	35,775	79,384
Other revenue	-	-	3,118	3,365	3,534
Net Multi-Client revenue	13,203	34,525	31,100	49,132	109,059
Seismic imaging	398	218	727	498	786
Net revenue	13,601	34,743	31,826	49,630	109,844

Spectrum ASA classifies Multi-Client revenue as early sales or late sales based on the products sold. PSTM (Time) and PSDM (Depth) are treated as separate products. E.g.: A sale of a completed PSTM product will be classified as late sale even if the PSDM product has not been completed.

The Multi-Client segment is divided into operating segments identified on a geographical basis. Management has implemented new geographic segments taking effect from 2016 due to changes in the company structure after the purchase of the Fugro library. The segment figures for 2015 are presented according to the new structure to provide comparative figures. Assets and liabilities are not reported by operating segment in management reporting and are not disclosed separately. The Group does not allocate all cost items to its reportable operating segments during the year, unallocated cost items are reported as Group functions and seismic imaging.

	Spectrum Group						
	Quarter ended	Africa /		Northwest	Asia Pacific	Seismic	Consolidated
	30.06.16 (Unaudited)	North and South America	Mediterranean / Middle-East	Europe		imaging and group functions	
(USD 1000)							
Net revenue		1,376	4,826	5,708	1,292	398	13,601
Operating profit/(loss)		(8,442)	260	2,250	(1,329)	(2,637)	(9,898)

	Spectrum Group						
	Quarter ended	Africa /		Northwest	Asia Pacific	Seismic	Consolidated
	30.06.15 (Unaudited)	North and South America	Mediterranean / Middle-East	Europe		imaging and group functions	
(USD 1000)							
Net revenue		21,553	1,840	6,339	4,793	218	34,743
Operating profit/(loss)		9,003	(2,545)	5,282	3,317	(6,356)	8,701

Spectrum Group							
(USD 1000)	6 months ended 30.06.16 (Unaudited)	North and South America	Africa / Mediterranean / Middle-East	Northwest Europe	Asia Pacific	Seismic imaging and group functions	Consolidated
Net revenue		5,348	12,778	10,216	2,757	727	31,826
Operating profit/(loss)		(13,633)	2,306	3,455	(2,735)	(6,083)	(16,690)

Spectrum Group							
(USD 1000)	6 months ended 30.06.15 (Unaudited)	North and South America	Africa / Mediterranean / Middle-East	Northwest Europe	Asia Pacific	Seismic imaging and group functions	Consolidated
Net revenue		32,118	2,929	7,472	6,613	498	49,630
Operating profit/(loss)		13,510	(4,814)	4,514	3,138	(11,951)	4,397

NOTE 4 – BANK FACILITIES

Revolving credit facility:

As of 30 June 2016 Spectrum had a fully utilized credit facility of MNOK 195. The revolving credit facility expires end of Q2 2017 and is classified as short term interest bearing debt as the agreement had not been extended as of 30 June 2016.

Term loan facility:

As of 30 June 2016 Spectrum had a term loan facility of MUSD 25. Spectrum renegotiated the repayment schedule of the term loan end of Q2 2016. The new repayment schedule of the term loan is:

- MUSD 10 end Q3 2016
- MUSD 15 end Q1 2017

Covenants as of 30 June 2016:

- Equity ratio (excl. goodwill) > 40.0%
- NIBD / 12 months EBITDA less MC cash CAPEX (excl Fugro acquisition) < 1.75

Spectrum obtained a waiver for Q2 2016.

NOTE 5 - TWENTY LARGEST SHAREHOLDERS AT 3RD OF AUGUST 2016

	Shareholders	Shares	%	Country
1	ALTOR INVEST 1 AS	8,000,232	15.0%	NOR
2	ALTOR INVEST 2 AS	8,000,232	15.0%	NOR
3	SKANDINAVISKA ENSKILDA BANKEN S.A.	2,625,672	4.9%	LUX
4	CORONA MARITIME HOLDING AS	2,493,995	4.7%	NOR
5	FOLKETRYGDFONDET	2,446,891	4.6%	NOR
6	FIDELITY SELECT PORTFOLIOS: ENERGY	2,311,408	4.3%	USA
7	SPENCER TRADING INC	2,142,218	4.0%	NOR
8	SWEDBANK ROBUR SMABOLAGSFOND	1,898,964	3.6%	GBR
9	JPMORGAN CHASE BANK, N.A., LONDON	1,758,914	3.3%	GBR
10	SEB STO, SFMA1	1,623,073	3.0%	SWE
11	BNY MELLON SERV KAP MBH FRANKF AKT	1,564,308	2.9%	BEL
12	VERDIPAPIRFONDET PARETO INVESTMENT	1,262,000	2.4%	NOR
13	EUROCLEAR BANK S.A./N.V. ('BA')	1,254,098	2.3%	BEL
14	FIDELITY INVESTMENT TRUST: FIDELI	1,183,572	2.2%	BEL
15	HOLBERG NORDEN	1,120,408	2.1%	NOR
16	BNY GCM CA (E) GCS	755,364	1.4%	BEL
17	SKANDINAVISKA ENSKILDA BANKEN AB	740,406	1.4%	SWE
18	INVESCO PERP EUR SMALL COMP FD	713,082	1.3%	BEL
19	THE BANK OF NEW YORK MELLON SANV	703,928	1.3%	BEL
20	SOCIETE GENERALE PARIS	586,525	1.1%	FRA
	Other	10,263,813	19.2%	
Total number of shares		53,449,103	100.0%	

NOTE 6 – SHARES OWNED BY THE SPECTRUM BOARD OF DIRECTORS, MANAGEMENT AND INSIDERS AT 3RD OF AUGUST 2016

	Shareholder	Shares	%	Country
1	Glen Rødland (1)	2,493,995	4.67 %	NOR
2	Richie Miller	219,505	0.41 %	USA
3	Rune Eng	109,609	0.21 %	NOR
4	Jan Schoolmeesters	34,461	0.06 %	NOR
5	Kim Gunn Maver	8,200	0.02 %	DEN
6	Mike Ball	5,000	0.01 %	USA
7	Graham Mayhew	4,000	0.01 %	GBR
8	Bjarte Bakke	2,000	0.01 %	NOR

Notes:

1. Shares in Corona Maritime Holding AS, wholly owned by Mr. Rødland.

REPORTING DATES 2016

27-Oct 2016: Q3 2016 Earnings Release (unaudited)

10-Feb 2017: Q4 2016 Earnings Release (unaudited)

Spectrum Offices

Spectrum ASA

Registered Office
Sjølyst plass 2
0278 Oslo, Norway
Tel: +47 23 01 49 60
Fax: +47 23 01 49 61

Spectrum Geo AS

Sjølyst plass 2
0278 Oslo, Norway
Tel: +47 23 01 49 60
Fax: +47 23 01 49 61

Spectrum Geo Ltd

Dukes Court,
Duke Street, Woking
GU21 5BH, UK
Tel: +44 (0) 1483 730201
Fax: +44 (0) 1483 762620

Spectrum Geo Inc

11750 Katy Freeway
Suite 900,
Houston, Texas 77079
USA
Tel: +1 281 647 0602
Fax: +1 281 589 8111

Spectrum Geo S.A. de C.V.

Av. Paseo de las Palmas
No.820 Desp. 604.
Lomas de Chapultepec C.P.
11000 D.F.
Mexico
Tel: +52 55 5202 3600

Spectrum Geo do Brasil Serviços Geofísicos LTDA

Av Rio Branco 181
Sala 1802,
Parte
20.040-007
Centro Rio De Janeiro
Tel : + 55 21 9142 4822

Spectrum Geo Pty Ltd

105 St. Georges Terrace
Perth
WA 6000
Australia
Tel: + 61 8 9322 3700
Fax: + 61 8 9322 1844

Spectrum Geo Pte Limited

Level 28 Gateway East
152 Beach Road
Singapore 189721
Tel: +65 6827 9773
Fax: +65 6295 2567

Spectrum Geopex Egypt Limited (Joint Venture)

Spectrum Geopex Building
Nasr City Public Free Zone
Block 1-A
Cairo, Egypt
Tel: +2 02 2270 4341
Fax: +2 02 2270 6479

Carmot Seismic AS

Sjølyst plass 2
0278 Oslo, Norway
Tel: +47 23 01 49 60
Fax: +47 23 01 49 61

Spectrum Geo GmbH

c/o Jan Nikolaisen,
Baarerstrasse 80,
6300 Zug,
Switzerland

Spectrum Geo Panama LLC

Piso 23 MMG Tower
Avenida Paseo del Mar,
Costa del Este
Corregimiento de Parque Lefevre
Distrito de Panamá,
Provincia de Panamá, 265 7636