

3<sup>rd</sup> Quarter Results 2014  
Spectrum ASA



## Summary Q3 - 14

(USD 1000)	SPECTRUM GROUP				
	Quarter ended	Quarter ended	9 months ended	9 months ended	12 months ended
	30.09.14 (Unaudited)	30.09.13 (Unaudited)	30.09.14 (Unaudited)	30.09.13 (Unaudited)	31.12.13 (Audited)
Gross operating revenue	70,024	18,508	186,452	114,961	162,001
Net operating revenue	52,843	15,079	135,435	104,503	143,023
EBIT	17,647	(826)	36,154	33,327	41,641
<b>Net Profit / (Loss)</b>	13,691	1,663	26,255	16,252	29,155
Cash flow from operating activities	36,774	(4,657)	97,627	64,671	78,571
Investment in Multi-Client library	26,901	16,235	82,876	71,713	85,200
Multi-Client library Net book value	125,735	115,723	125,735	115,723	112,400
Cash and cash equivalents	9,260	3,002	9,260	3,002	2,719

## Q3 Highlights

- Gross Multi-Client sales in the quarter totalled MUSD 69.3 (2013: MUSD 17.9)
- Revenue share on Multi-Client sales was 24.8%, compared to 19.2% in Q3 2013, giving Net Multi-Client revenue of MUSD 52.2 (2013: MUSD 14.4)
- Gross Multi-Client revenues were comprised of late sales of MUSD 26.3 (2013: MUSD 11.7) and prefunding on Multi-Client investments of MUSD 43.0 (2013: MUSD 6.2)
- Net Multi-Client revenue were comprised of late sales of MUSD 23.2 (2013: MUSD 8.3) and prefunding on Multi-Client investments of MUSD 29.0 (2013: MUSD 6.2)
- EBIT for the quarter was MUSD 17.6 (2013: MUSD (0.8))
- Multi-Client investments were MUSD 26.9 with 107.7% prefunding rate based on costs incurred vs. net prefunding (2013: MUSD 16.2 with 37.9% prefunding)
- Operational cash flow before Multi-Client investments in Q3 was MUSD 36.8 (2013: MUSD (4.7))

## 9 months Highlights

- Gross Multi-Client sales totalled MUSD 184.3 (2013: MUSD 113.3)
- Revenue share on Multi-Client sales was 27.7% compared to 9.3% in 2013, giving Multi-Client net revenue of MUSD 133.3 (2013: MUSD 102.8)
- Multi-Client investments were MUSD 82.9 with 97.4% net prefunding (2013: MUSD 71.7 with 45.9% net prefunding)
- EBIT was MUSD 36.2 (2013: MUSD 33.3)
- Operational cash flow before Multi-Client investments was MUSD 97.6 (2013: MUSD 64.7)

## Third quarter report for Spectrum ASA

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### Statement of comprehensive income

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Gross Multi-Client revenues totaled MUSD 69.3 in the third quarter of 2014 (2013: MUSD 17.9). Prefunding recognized in the quarter was MUSD 43.0 (2013: MUSD 6.2) and Late sales ended at MUSD 26.3 (2013: MUSD 11.7). Total operating revenues for the group were MUSD 70.0 (2013: MUSD 18.5).

The revenue share to partners in the third quarter was MUSD 17.2 (2013: MUSD 3.4). This represented 24.8% (2013: 19.2%) of gross MC sales. The revenue share varies from quarter to quarter dependent on sales mix.

Operating expenses were MUSD 8.2 (2013: MUSD 7.8). The increase is mainly due to the expansion of the organization over the last year.

Multi-Client amortizations in the third quarter ended at 50.9 % of net MC revenue (2013: 51.6%). The high amortization level is mainly due to forced amortizations on Lebanon, Santos Campos and Gulf of Mexico surveys.

EBIT for the third quarter was MUSD 17.6 (2013: MUSD (0.8)). EBIT represents 33.4% of reported net revenue (2013: (5,5%)).

Other financial items for the third quarter was positive MUSD 2.9 (2013: positive MUSD 5.0). This consists mainly of the fluctuation in the mark to market (MTM) value of the convertible loan issued in 2011.

Profit Before Tax in the third quarter ended at MUSD 19.8 (2013: MUSD 1.9).

Multi-Client sales during the first nine months (9M) 2014 totaled MUSD 184.3 (9M 2013: MUSD 113.3). Early sales 9M 2014 came in at MUSD 124.2 (9M 2013: MUSD 33.1) and Late sales 9M 2014 ended at MUSD 60.1 (9M 2013: MUSD 80.2). Total revenue for the group of MUSD 186.5 (9M 2013: MUSD 115.0). The revenue share during 9M 2014 was MUSD 51.0 (9M 2013: MUSD 10.5).

Operating expenses for the 9M 2014 were MUSD 27.3, including MUSD 1.2 costs of stock options (9M 2013: MUSD 26.8 including MUSD 3.1 costs of stock options). The increase is mainly due to the expansion of the organization over the last year.

Amortizations during the 9M 2014 came in at 52.2% of net MC revenue (9M 2013: 40.8%). The high level is mainly due to forced amortizations of the Lebanon, Santos Campos and Gulf of Mexico surveys.

Group EBIT for 9M 2014 was MUSD 36.2 (9M 2013: MUSD 33.3), an EBIT margin of 26.7% of reported net revenue (9M 2013: 31.9%).

Management assesses that based on the current business mix the normalized operating consolidated tax rate is approximately 31%. Spectrum reports tax charges in accordance with IAS 12 for the full year.

## Statement of financial position

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The total assets of the group were MUSD 217.9 (*end Q2 2014: MUSD 214.9*) at the end of the quarter, split between non-current assets of MUSD 150.3 (*end Q2 2014: MUSD 150.1*), and current assets of MUSD 67.6 (*end Q2 2014: MUSD 64.8*). These were funded by equity of MUSD 161.8 (*end Q2 2014: MUSD 146.7*), long term liabilities of MUSD 1.1 (*end Q2 2014: MUSD 1.1*) and current liabilities, including accrued revenue share, of MUSD 55.0 (*end Q2 2014: MUSD 67.1*).

During Q3 2014 Spectrum invested MUSD 26.9 (*2013: MUSD 16.2*) in the Multi-Client library. This increase in carrying value of the MC library was offset by amortization of MUSD 26.5 (*2013: MUSD 7.4*).

The cash and cash equivalents balance increased by MUSD 8.9 from end Q2 2014 to MUSD 9.3. The group has an additional liquidity reserve through a drawing facility of MUSD 20 with a Nordic bank. Management considers that the Company has sufficient liquidity to meet its ongoing operational obligations.

The reported equity balance is MUSD 161.8 (*end Q2 2014: MUSD 146.7*).

Long term interest bearing debt was MUSD 1.1 (*end Q2 2014: MUSD 1.1*) and consist mainly of financial leases. 99.6% of the convertible loan that was issued in 2011 to finance the 2D Marine Library acquisition from CGG is now converted. The remaining part MUSD 0.1 (*end Q2 2014: MUSD 3.7*) is classified as current liabilities.

## Cash flow

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The cash and cash equivalents balance increased by MUSD 8.9 from end Q2 2014 to MUSD 9.3.

Net cash flow from operating activities was MUSD 36.8 (*2013: MUSD (4.7)*) for the quarter. Working capital increased by MUSD 5.3 (*2013: increase of MUSD 5.3*).

Net cash outflow from investing activities was MUSD 27.5 in the quarter (*2013: MUSD 16.7*) of which MUSD 26.9 was investments in the Multi-Client library (*2013: MUSD 16.2*).

Net cash outflow in the quarter from financing activities was MUSD 0.3 (*2013: MUSD 0*).

In the first nine months the net cash flow from operating activities was MUSD 97.6 (*9M 2013: MUSD 64.7*).

Working capital decreased by MUSD 0.2 (*9M 2013: decrease of MUSD 1.1*).

Net cash outflow from investing activities was MUSD 85.5 in the first nine months (*9M 2013: MUSD 75.6*) of which MUSD 82.9 was investments in the Multi-Client library (*9M 2013: MUSD 71.7*).

Net cash outflow in the first nine months from financing activities was MUSD 5.4 (*9M 2013: MUSD outflow 2.1*). This includes distribution of MUSD 5.3 in dividend.

## Multi-Client Operations

Net Multi-Client revenues of MUSD 52.2 in the quarter represent an increase of 261% vs. 3<sup>rd</sup> quarter 2013 (2013: MUSD 14.4). Revenue share on Gross Revenue in Q3 2014 was high (24,8%), mostly due to the revenue share on the Foz do Amazonas MC3D project. 62% of the Net Multi-Client revenues in the quarter came from North and South America, 25% came from Europe and Middle East and 13% from Africa.

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 1.3 million km of 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. In addition Spectrum holds 5,360 km<sup>2</sup> of new 3D data sets offshore Lebanon, and 11,330 km<sup>2</sup> of acquired 3D data offshore Brazil that is currently in processing. Furthermore, Spectrum holds 125.000 km<sup>2</sup> of seamless seismic merged 3D data on the Norwegian continental shelf.

Revenue from Multi-Client sales was 99.0% of total revenue in the third quarter of 2014.

In December 2013 Spectrum and CGG announced that they jointly would launch a large, high-end BroadSeis™ 3D multi-client survey program offshore Brazil that focuses on a large proportion of open acreage in the very promising Foz do Amazonas Basin. The survey commenced in January 2014. The survey covers 11,330 km<sup>2</sup>, and was acquired by the Oceanic Endeavour deploying Sercel's next-generation Sentinel RD solid streamer. The acquisition of data was completed late in Q3-14. The high-end BroadSeis™ data set will be processed in CGG's Rio de Janeiro subsurface imaging center, and final products are planned to be available during the 2<sup>nd</sup> half of 2015.

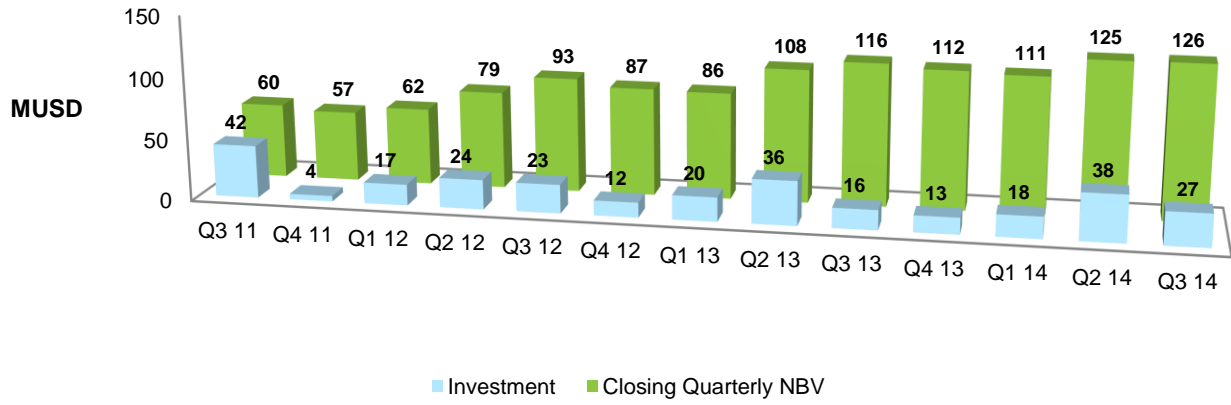
In May 2014, Spectrum commenced a 10,000 kilometer Multi-Client 2D seismic survey offshore Brazil in the Sergipe and Alagoas basins along the Eastern Margin of Brazil. The acquisition of data was completed in Q3, and PSTM and PSDM data will be available in Q4 2014. Immediately after the completion of the project the phase 2 of the project was commenced. This is an approximately 6,000 kilometer infill to provide 5 x 5 km grid spacing over a subset of the area covered in phase 1. Phase 2 is expected to be completed mid Q4.

All the surveys on-going during the quarter were supported by industry funding.

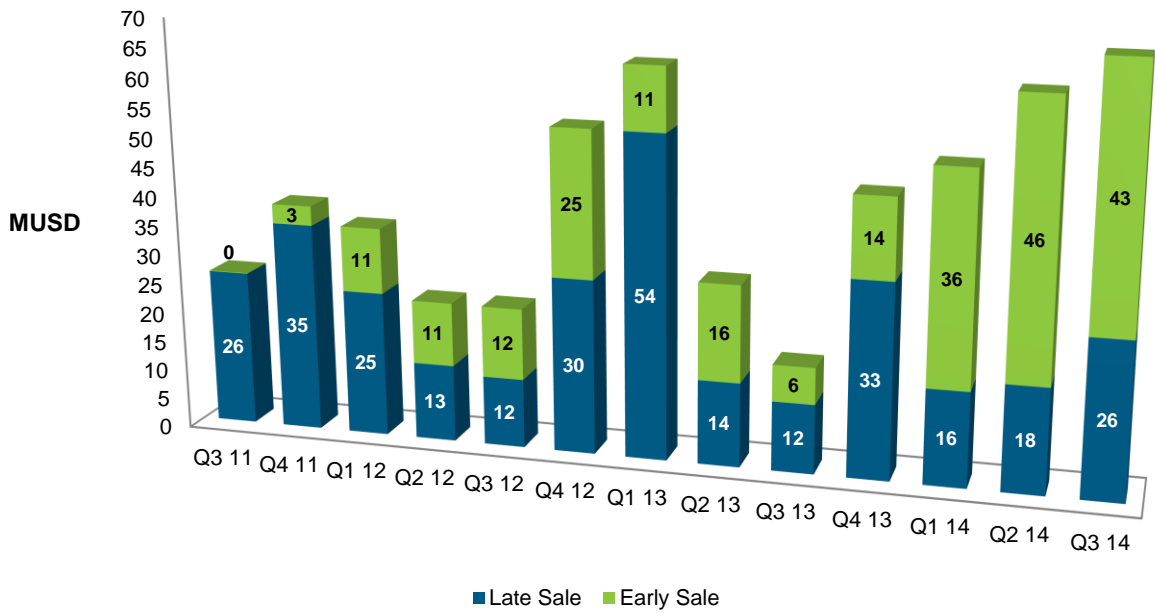
### Multi-Client Key Figures

(USD 1000)	Spectrum Group	
	Q3 14	Q3 13
Gross late sales	26,331	11,701
Gross early sales	43,009	6,167
Total gross revenue	69,339	17,868
Revenue share	(17,181)	(3,428)
Net late sales	23,191	8,286
Net early sales	28,968	6,154
Total net revenue	52,159	14,440
Investment	26,901	16,235

### Investment in the Multi-Client Library



### Gross Multi-Client Revenues



\*See Note 3 for further information

## Seismic Data Processing

Seismic data processing is provided from the group's processing centres in UK, US, Egypt and Indonesia. Spectrum's seismic processing technology is based on carefully selected third party software complemented by Spectrum's production processing platform, which is constantly being enhanced with new processing techniques. In addition some seismic processing is also performed on board chartered vessels.

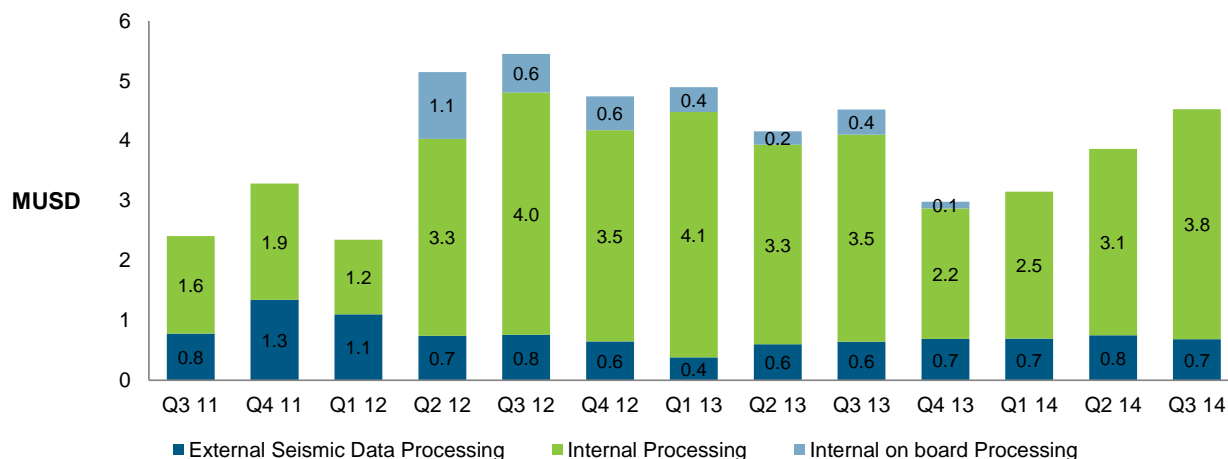
The seismic data processing division had proprietary revenues of MUSD 0.7 (2013: MUSD 0.6) in the quarter. In the third quarter, 85% (2013: 85%) of the capacity of Spectrum's seismic data processing business unit was utilized in processing data for the Multi-Client library.

The seismic data processing division provides a valuable service to the Spectrum Multi-Client segment and reprocessed 118,500 km in third quarter in addition to processing of data from on-going new acquisitions.

### Seismic Data Processing Key Figures

	Spectrum Group	
(USD 1000)	Q3 14	Q3 13
External revenue	685	640
Internal revenue	3,850	3,572
<b>Total gross revenue</b>	<b>4,535</b>	<b>4,212</b>

### Seismic Data Processing revenues



## Subsequent events

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On 6 October the convertible loan that was issued to finance the 2D Marine Library acquisition from CGG in 2011 reached maturity date. By end Q3 99.6% of

convertible loan was converted to shares. The remaining part MUS\$ 0.1 was then settled in full.

## Future prospects

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Spectrum has a significant pipeline of sales leads for Q4 2014, but we do experience that oil companies are more focused in their spending. In total Spectrum estimate seismic spending from oil companies in 2014 to be down compared to 2013.

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. During the third quarter a total of 118,500 km of 2D data was reprocessed.

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 has so far

acquired MC3D in Lebanon and started in January 2014, in cooperation with CGG, the ongoing MC3D project in Brazil.

Spectrum is an asset light company that stringently evaluates potential investments in new multi-client surveys with focus on prefunding levels and future sale triggers. We do experience that the right projects attracts prefunding.

Spectrum is currently working on a project pipeline that we present to the oil companies for securing prefunding. We expect the total MC investment for 2014 to be in excess of MUS\$ 100.



## Interim Statement of Comprehensive Income

		SPECTRUM GROUP				
		Quarter	Quarter	9 months	9 months	12 months
		ended	ended	ended	ended	ended
		30.09.14	30.09.13	30.09.14	30.09.13	31.12.13
(USD 1000)	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gross operating revenue	3	70,024	18,508	186,452	114,961	162,001
Revenue share		(17,181)	(3,428)	(51,018)	(10,458)	(18,978)
<b>Net operating revenue</b>		<b>52,843</b>	<b>15,079</b>	<b>135,435</b>	<b>104,503</b>	<b>143,023</b>
Amortisation of Multi-Client library		(26,532)	(7,449)	(69,541)	(42,015)	(59,886)
Operating expenses		(8,183)	(7,762)	(26,145)	(23,769)	(34,553)
Cost of share options		285	85	(1,186)	(3,067)	(3,810)
Depreciation		(767)	(779)	(2,408)	(2,324)	(3,131)
<b>EBIT</b>		<b>17,647</b>	<b>(826)</b>	<b>36,154</b>	<b>33,327</b>	<b>41,641</b>
Interest expense, net		(71)	(367)	(353)	(1,067)	(1,231)
Foreign exchange profit / (loss)		(601)	(2,017)	(521)	(3,306)	(1,397)
Other financial items	4	2,865	5,077	2,772	(2,043)	3,892
<b>Profit / (Loss) before tax</b>		<b>19,840</b>	<b>1,867</b>	<b>38,051</b>	<b>26,911</b>	<b>42,905</b>
Tax expense		(6,150)	(204)	(11,796)	(10,659)	(13,750)
<b>Net Profit / (Loss) to equity holders</b>		<b>13,691</b>	<b>1,663</b>	<b>26,255</b>	<b>16,252</b>	<b>29,155</b>
Other Comprehensive income:		-	-	-	-	-
<b>Total Comprehensive income / (loss) for the period</b>		<b>13,691</b>	<b>1,663</b>	<b>26,255</b>	<b>16,252</b>	<b>29,155</b>
Earnings per share		0.32	0.04	0.62	0.41	0.72
Diluted earnings per share		0.28	0.04	0.54	0.34	0.62
(Shares 1000)						
Basic shares outstanding average		42,412	40,207	42,395	39,470	40,311
Diluted shares outstanding average		48,277	47,461	48,285	47,294	47,376
Basic shares issued end of the quarter		42,839	40,207	42,839	40,207	42,110
Diluted shares issued end of the quarter		49,645	47,481	49,645	47,481	47,683

## Interim Consolidated Statement of Financial Position

(USD 1000)	Note	SPECTRUM GROUP		
		30.09.14 (Unaudited)	30.06.14 (Unaudited)	31.12.13 (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Deferred tax assets		5,425	5,425	5,425
Goodwill		12,481	12,481	12,481
Software		1,525	1,810	2,090
Multi-client library		125,735	125,366	112,400
Investment in Joint Ventures		1,720	1,720	1,720
Fixtures, fittings and office equipment		3,461	3,348	2,993
<b>Total non-current assets</b>		<b>150,346</b>	<b>150,149</b>	<b>137,109</b>
<b>Current assets</b>				
Work in Progress		24,378	15,687	9,216
Accounts receivable		22,122	35,288	39,219
Other receivables		11,832	13,412	8,049
Cash and cash equivalents		9,260	373	2,719
<b>Total current assets</b>		<b>67,592</b>	<b>64,760</b>	<b>59,203</b>
<b>Total assets</b>		<b>217,938</b>	<b>214,909</b>	<b>196,313</b>
<b>Shareholders' Equity and Liabilities</b>				
<b>Shareholders' equity</b>				
Share capital		7,470	7,384	7,351
Share premium		29,154	28,087	27,509
Other paid-in capital		58,503	58,238	57,415
Retained earnings		69,183	55,492	48,233
Foreign translation reserve		(2,467)	(2,467)	(2,467)
<b>Total equity</b>		<b>161,842</b>	<b>146,734</b>	<b>138,041</b>
<b>Liabilities</b>				
<b>Long term liabilities</b>				
Long term interest bearing debt		1,058	1,061	723
Other liabilities		43	43	43
<b>Total long term liabilities</b>		<b>1,101</b>	<b>1,104</b>	<b>766</b>
<b>Current liabilities</b>				
Short term interest bearing debt		1,287	2,553	2,860
Accounts payable		7,228	8,517	13,343
Tax and other public duties payable		10,443	10,538	8,577
Other liabilities		36,037	45,464	32,726
<b>Total current liabilities</b>		<b>54,994</b>	<b>67,072</b>	<b>57,506</b>
<b>Total shareholders' equity and liabilities</b>		<b>217,938</b>	<b>214,909</b>	<b>196,313</b>

## Interim consolidated statement of changes in equity

(USD 1000)	SPECTRUM GROUP					
	Issued Capital	Share Premium	Other Paid-in Capital	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
<b>At 31 December 2012</b>	<b>6,847</b>	<b>21,627</b>	<b>56,163</b>	<b>23,222</b>	<b>(2,467)</b>	<b>105,391</b>
Share options granted			702			702
Share issues	187	1,887				2,074
Profit / (Loss) for period				16,252		16,252
Dividends				(4,145)		(4,145)
<b>At 30 September 2013</b>	<b>7,034</b>	<b>23,514</b>	<b>56,865</b>	<b>35,329</b>	<b>(2,467)</b>	<b>120,276</b>
Share options granted			550			550
Share issues	317	3,995				4,312
Profit / (Loss) for period				12,903		12,903
Dividends						-
<b>At 31 December 2013</b>	<b>7,351</b>	<b>27,509</b>	<b>57,415</b>	<b>48,233</b>	<b>(2,467)</b>	<b>138,041</b>
Share options granted			1,088			1,088
Share issues	119	1,645				1,764
Profit / (Loss) for period				26,255		26,255
Dividends				(5,306)		(5,306)
<b>At 30 September 2014</b>	<b>7,470</b>	<b>29,154</b>	<b>58,503</b>	<b>69,183</b>	<b>(2,467)</b>	<b>161,842</b>

## Interim Consolidated Statement of cash flows

(USD 1000)	SPECTRUM GROUP				
	Quarter	Quarter	9 months	9 months	12 months
	ended	ended	ended	ended	ended
	30.09.14	30.09.13	30.09.14	30.09.13	31.12.13
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cash flows from operating activities:					
Profit / (Loss) before tax	19,840	1,873	38,051	26,911	42,905
Income taxes/other taxes paid	(3,135)	(4,762)	(11,693)	(12,634)	(15,315)
Depreciation and amortisation	27,299	8,228	71,950	44,339	63,017
Interest expense, net	71	361	353	1,067	1,232
Other financial items	(2,283)	(5,016)	(2,353)	1,856	(4,133)
Share options granted	265	(85)	1,088	2,077	2,821
Working capital changes	(5,284)	(5,256)	231	1,055	(11,955)
<b>Net cash flow from operating activities</b>	<b>36,774</b>	<b>(4,657)</b>	<b>97,627</b>	<b>64,671</b>	<b>78,571</b>
Cash flows from investing activities:					
Investment in multi-client library	(26,901)	(16,235)	(82,876)	(71,713)	(85,200)
Investment in other assets	(595)	(440)	(2,470)	(3,921)	(4,372)
Disposal of tangible assets	-	-	(159)	-	-
<b>Net cash flow from investing activities</b>	<b>(27,496)</b>	<b>(16,675)</b>	<b>(85,505)</b>	<b>(75,634)</b>	<b>(89,572)</b>
Cash flows from financing activities:					
Issued share capital	-	-	268	2,074	2,075
Repayment of capital and dividends	-	-	(5,306)	(4,145)	(4,145)
Proceeds of borrowings	313	-	1,506	796	2,081
Payment of borrowings	(487)	(24)	(1,511)	(600)	(1,570)
Interest paid	(81)	(25)	(348)	(270)	(561)
<b>Net cash flow from financing activities</b>	<b>(255)</b>	<b>(49)</b>	<b>(5,392)</b>	<b>(2,145)</b>	<b>(2,120)</b>
Net change in cash and cash equivalents	9,023	(21,381)	6,730	(13,108)	(13,121)
Net change in cash and cash equivalents, discontinued operations	-	-	-	(16)	(16)
Net foreign exchange diff (unrealised)	(136)	245	(189)	(862)	(1,131)
Cash & cash equivalents at start of period	373	24,138	2,719	16,988	16,988
<b>Cash and cash equivalents at end of period</b>	<b>9,260</b>	<b>3,002</b>	<b>9,260</b>	<b>3,002</b>	<b>2,719</b>

## Notes to accounts

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### 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 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 30<sup>th</sup> September 2014. 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 31<sup>st</sup> December 2013. 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. There have been no changes in the group's accounting policies and principles in 2014.

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

Amortization is calculated as the higher of amortization according to sales or Spectrum's minimum amortization policy. Sales amortization is based on the ratio of estimated revenue of a survey to the cost of the survey, and this ratio is applied to the revenue recognized for the survey. The Spectrum Group has a minimum amortization policy whereby the carrying amount 12 months after completion of a survey is no more than 60 % of cost. This maximum level is reduced by 20 % points for each of the three subsequent years.

#### 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.

#### 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. A formal impairment review of all Multi-Client surveys is performed once a year based on 30<sup>th</sup> September figures.

**NOTE 3 – MULTI-CLIENT REVENUE**

	Spectrum Group				
	Quarter ended	Quarter ended	9 months ended	9 months ended	12 months ended
	30.09.14	30.09.13	30.09.14	30.09.13	31.12.13
(USD 1000)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Late sales	26,331	11,701	60,096	80,197	113,040
Early sales	43,009	6,167	124,227	33,144	46,649
<b>Multi-Client revenue</b>	<b>69,339</b>	<b>17,868</b>	<b>184,322</b>	<b>113,340</b>	<b>159,689</b>

Spectrum ASA classifies Multi-Client revenue as early sales or late sales based on the products sold. PSTM (Time) and PSDM (Depth) is treated as separate products. E.g.: A sale of a completed PSTM product will be classified as late even if the PSDM product has not been completed. The issue has become more relevant in 2014 due to surveys with long PSDM processing times.

Since Spectrum is a pure play Multi-Client company 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 98.9% of the Group`s total revenue.

**NOTE 4 – OTHER FINANCIAL ITEMS**

	Spectrum Group				
	Quarter ended	Quarter ended	9 months ended	9 months ended	12 months ended
	30.09.14	30.09.13	30.09.14	30.09.13	31.12.13
(USD 1000)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Mark to market changes options related to convertible rights	2,236	4,986	2,210	(1,816)	4,132
Taxes on financial transactions/broker fees	(100)	122	(115)	(92)	(51)
Other financial /bank charges	729	(31)	677	(135)	(188)
<b>Total</b>	<b>2,865</b>	<b>5,077</b>	<b>2,772</b>	<b>(2,043)</b>	<b>3,892</b>

Other financial items consist mainly of changes in the mark to market valuation of the conversion right.

The convertible loan is presented in the statement of Financial Position under Short term interest bearing debt at amortized cost of MUSD 0.05 (*end Q2 2014: MUSD 1.1*) and the conversion right under other short term debt at MUSD 0.08 (*end Q2 2014: MUSD 2.6*).

**NOTE 5 - TWENTY LARGEST SHAREHOLDERS PER 22<sup>ND</sup> OF OCTOBER 2014**

	Shareholders	Shares	%	Country
1	FERNCLIFF LISTED DAI AS	6,472,077	15.1%	NOR
2	SPENCER TRADING INC	4,597,822	10.7%	NOR
3	GROSS MANAGEMENT AS	3,768,462	8.8%	NOR
4	SOLAN CAPITAL AS	3,153,695	7.4%	NOR
5	DEUTSCHE BANK AG	2,054,359	4.8%	GBR
6	FOLKETRYGDFONDET	1,988,042	4.6%	NOR
7	BNY MELLON SERV KAP MBH FRANKF AKT	1,564,308	3.7%	BEL
8	SKANDINAVISKA ENSKILDA BANKEN AB	1,559,413	3.6%	NOR
9	SPENCER ENERGY AS	1,542,582	3.6%	NOR
10	J.P. MORGAN CHASE BANK N.A. LONDON	1,345,000	3.1%	GBR
11	THE BANK OF NEW YORK MELLON SA/NV	1,000,000	2.3%	BEL
12	UBS (LUXEMBOURG) S.A.	681,159	1.6%	LUX
13	JPMORGAN CHASE BANK, N.A	650,000	1.5%	GBR
14	SÆTER, HAAKON MORTEN	635,347	1.5%	NOR
15	FIDELITY SELECT PORTFOLIOS: ENERGY	590,653	1.4%	USA
16	PERSHING LLC	562,429	1.3%	USA
17	VPF NORDEA KAPITAL	544,190	1.3%	NOR
18	J.P. MORGAN CHASE BANK N.A. LONDON	469,395	1.1%	GBR
19	INVESCO PERP EUR SMALL COMP FD	439,363	1.0%	BEL
20	HUSTADLITT A/S	415,000	1.0%	NOR
	Other	8,805,731	20.6%	
	<b>Total number of shares</b>	<b>42,839,027</b>	<b>100.0%</b>	

**NOTE 6 – SHARES OWNED BY THE SPECTRUM BOARD OF DIRECTORS, MANAGEMENT AND INSIDERS AT 22<sup>ND</sup> OF OCTOBER 2014**

	Shareholder	Shares	%	Country
1	Øystein Stray Spetalen (1)	8,376,630	19.55%	NOR
2	Gunnar Hvammen (2)	3,153,695	7.36%	NOR
3	Glen Rødland (3)	1,904,553	4.45%	NOR
4	Rune Eng	109,609	0.26%	NOR
5	Richie Miller	97,445	0.23%	USA
6	Jan Schoolmeesters	34,461	0.08%	NOR
7	Arne Helland (4)	34,152	0.08%	NOR
8	Henning Olset	21,351	0.05%	NOR
9	Kim Gunn Maver	8,200	0.02%	DEN
10	Mike Ball	5,000	0.01%	USA
11	Graham Mayhew	4,000	0.01%	GBR
12	Bjarte Bakke	2,000	0.01%	NOR

**Notes:**

1. Shares held by Gross Management AS and its wholly owned subsidiary Ricin Invest AS, and shares held by Ferncliff DAI 1 AS. Mr. Spetalen has a 50% interest in Gross Management AS and 100% interest in Ferncliff DAI 1 AS.
2. Shares in Solan Capital AS is owned by Lauvheim Holding AS (90.62%) and 9.38% by Mr. Hvammen. Lauvheim Holding AS is wholly owned by Mr. Hvammen.
3. Shares held by Gross Management AS and its wholly owned subsidiary Ricin Invest AS, Mr. Rødland has a 50% interest in Gross Management AS.
4. Shares in Turning point AS, wholly owned by Mr. Helland.

**NOTE 7 – SUBSEQUENT EVENTS**

On 6 October the convertible loan that was issued to finance the 2D Marine Library acquisition from CGG in 2011 reached maturity date. By end Q3 99.6% of convertible loan was converted to shares. The remaining part MUS\$ 0.1 was then settled in full.

**REPORTING DATES 2014**

13-Feb-2015: Q4 2014 Earnings Release (unaudited)



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