



Spectrum ASA

1st Quarter Results 2012



multi-client
services



seismic data
processing

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Summary Q1

(USD 1000)	Quarter		
	ended 31.03.12 (unaudited)	ended 31.03.11 (unaudited)	12 months ended 31.12.11 (audited)
Revenue	36,935	4,639	81,245
EBITDA	16,787	147	33,915
% EBITDA	45%	3%	42%
EBITDA (adjusted)*	19,115	147	35,367
% EBITDA	52%	3%	44%
EBIT	5,233	(983)	14,702
EBIT(adjusted)*	7,561	(983)	16,154
Net profit	(954)	(2,613)	12,989
Net profit (adjusted)**	5,116	(2,613)	16,151
Cash flow from operating activities	26,921	967	16,337
Investment in Multi Client Libraries	16,943	1,353	54,164
Cash and cash equivalents	16,686	7,378	5,953

* EBITDA/EBIT ex MUSD 2.3 (0 in Q1 2011, MUSD 1.4 in 12 months ended 2011) related to changes in market value of employee options program.

** Net profit ex MUSD 2.3 (0 in Q1 2011, MUSD 1.4 in 12 months ended 2011) related to changes in market value of employee options program and MUSD 3.7 (0 in Q1 2011, MUSD 1.7 in 12 months ended 2011) related to change in MTM value of conversion right for the convertible loan.

Highlights

- Multi Client revenue in quarter was MUSD 35.7 (MUSD 3.3)
- MC Early Sales of MUSD 11,1 (MUSD 1.3)
- MC Late Sales of MUSD 24.6 (MUSD 2.0)
- Organic investment (MC Capex) of MUSD 16.9 (MUSD 1.4) in new Multi Client libraries. Organic investment will increase substantially in 2012 with the acquisition operations in West Africa and Brazil among others.
- Spectrum guides MC 2D investments in 2012 to be approximately MUSD 70
- Operational cash flow in Q1 of MUSD 26.9 (MUSD 1.0)
- Reported EBIT of MUSD 5.2 impacted negatively by a MUSD 2.3 change in market value of outstanding options to employees. ex. the employee option cost EBIT was MUSD 7.561

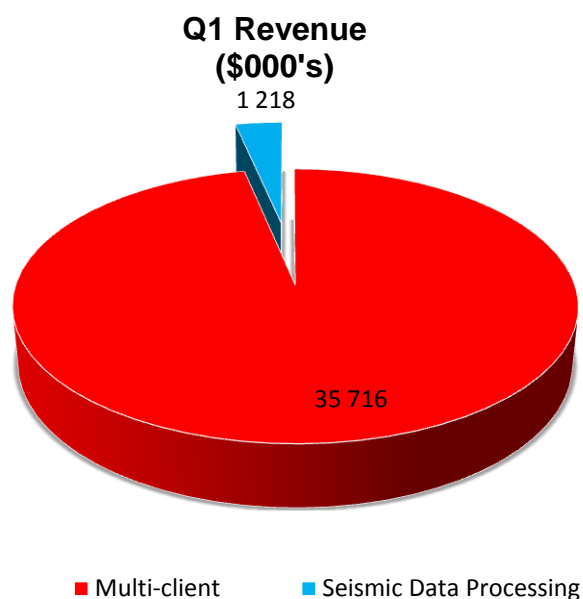
FIRST QUARTER REPORT FOR SPECTRUM ASA

Spectrum has two operating segments, sale of Multi Client seismic surveys “MC” and seismic data processing “DP”. The Marine Acquisition (“MA”) operating segment, which performed the planning and execution of offshore seismic acquisition, was considered a discontinued operation from the second quarter 2011 onwards.

STATEMENT OF COMPREHENSIVE INCOME

Spectrum experienced further strong growth in Multi Client late sales in the first quarter of 2012, MUSD 24.6 (2011: MUSD 2.0). In addition early sales came in at MUSD 11.1 (2011: MUSD 1.3) in the quarter. This level of prefunding is more than double the highest quarterly figure reported by Spectrum, and shows a substantial ramp up in new surveys in carefully selected areas.

Group revenue in the first quarter was MUSD 37,0 for continuing operations (2011: MUSD 4.6). Group EBITDA for the first quarter was MUSD 16.8 for continuing operations (2011: MUSD 0.1) which was 45% of reported revenue (2011: 3.2%). Operating expenses increased to MUSD 8 (MUSD 3.4). Of this increase MUSD 2.3 is due to increase in market value and accruals for the employee option program. The operational activities and number of employees has also increased since Q1 2011.



STATEMENT OF FINANCIAL POSITION

The total assets of the group were MUSD 134.4 (2011: MUSD 63.7) at the end of the quarter, split between intangible assets of MUSD 75.9 (2011: MUSD 32.3), tangible assets of MUSD 1.8 (2011: MUSD 3.6), financial assets of MUSD 1.7 (2011: MUSD 1.6) and current assets of MUSD 55.0 (2011: MUSD 26.1). These were funded by equity of MUSD 80.9 (2011: MUSD 35.1), long term liabilities of MUSD 16.8 (2011: MUSD 6.1) and current liabilities of MUSD 36.7 (2011: MUSD 22.4).

In the period, MUSD 16.9 (2011: MUSD 1.4) was added to Spectrum’s Multi Client library through organic investment. This addition was offset by amortisation of MUSD 11.0 (2011: MUSD 0.7). A formal impairment review of goodwill and individual Multi Client libraries was performed as at 30th September 2011. No impairment of these assets was recognized as a result of this review.

The balance of cash and cash equivalents increased by MUSD 10.7 from year end 2011 to MUSD 16.7, as a result of high gross sales and a reduction in the trade accounts receivable balance, partly offset by cash outflows associated with revenue sharing and the ongoing acquisition projects. The management considers it has sufficient liquidity to meet its ongoing operational obligations.

The reported equity balance is at MUSD 80.9 vs. MUSD 79.5 end of 2011.

Long term interest bearing debt of MUSD 7.4 (2011: Nil) includes the convertible loan issued as part of financing the marine 2D library acquisition and future lease obligations.

Current liabilities increased by MUSD 7.8 to MUSD 36.7 (2011: MUSD 22.4) by the end of first quarter. Of the current liabilities MUSD 3.2 represented a contingent payment to CGGVeritas which is payable if the assignment of the rights to market and license certain key data libraries is successfully completed. In addition revenue share is included in other liabilities.

CASH FLOW

The balance of cash and cash equivalents increased by MUSD 10.7 in the first quarter to MUSD 16.7 (2011: MUSD 7.4).

Net cash flow from continuing operating activities was MUSD 26.9 (2011: MUSD 1.0) for the quarter, driven by amortisation and depreciation of MUSD 11.6 (2011: MUSD 1.2), a reduction in working capital of MUSD 12.5 (2011: MUSD 1.1), a change in market value of the financial instruments linked to the convertible bond of MUSD 3.9 (2011: Nil) and the value of outstanding options of MUSD 2.3 (2011: Nil) .

Net cash outflow from investing activities was MUSD 16.9 (2011: MUSD 1.8).

Net cash inflow from financing activities was MUSD 0,2 (2011: Nil).

Net cash outflow for discontinued operations, of MUSD 0,053 (2011: MUSD 2.4), represented the net cash payments for outstanding commitments relating to the Marine Acquisition operations of Spectrum.

MULTI CLIENT SERVICES



(MUSD)	Q1 12	Q1 11
Late sales	24,6	2,0
Early sales	11,1	1,3
Total revenue	35,7	3,3
Revenue share	(12,2)	(1,1)
EBITDA	16,6	0,48
Investment	16,9	1,35

MC revenue of MUSD 35.7 represents an increase of 970% vs. the 1st quarter 2011. Spectrum made a step-change in terms of Multi client revenue in 3rd quarter of 2011 and this has been sustained in the subsequent quarters. This revenue increase also had a marked effect on the profitability of the Multi Client division and the group as a whole, with the MC division reporting a positive EBIT of MUSD 5.6 (MUSD -0.3).

The sales mix in a particular period has a marked effect on the amount of revenue share payable to partners in a period. Q1 2012 includes substantial early sales with lower revenue shares. This drives revenue share down compared to reported levels in previous quarters.

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 now comprises 1.2m km of 2D data together with 32,700 sq km 3D data. The library is replenished and continually enhanced with the addition of new projects and the reprocessing of older data. The substantially increased 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 constantly being developed.

Revenue from Multi Client sales was 96.75% of total revenue in the first quarter of 2012. Spectrum will continue to grow its Multi Client activity worldwide.

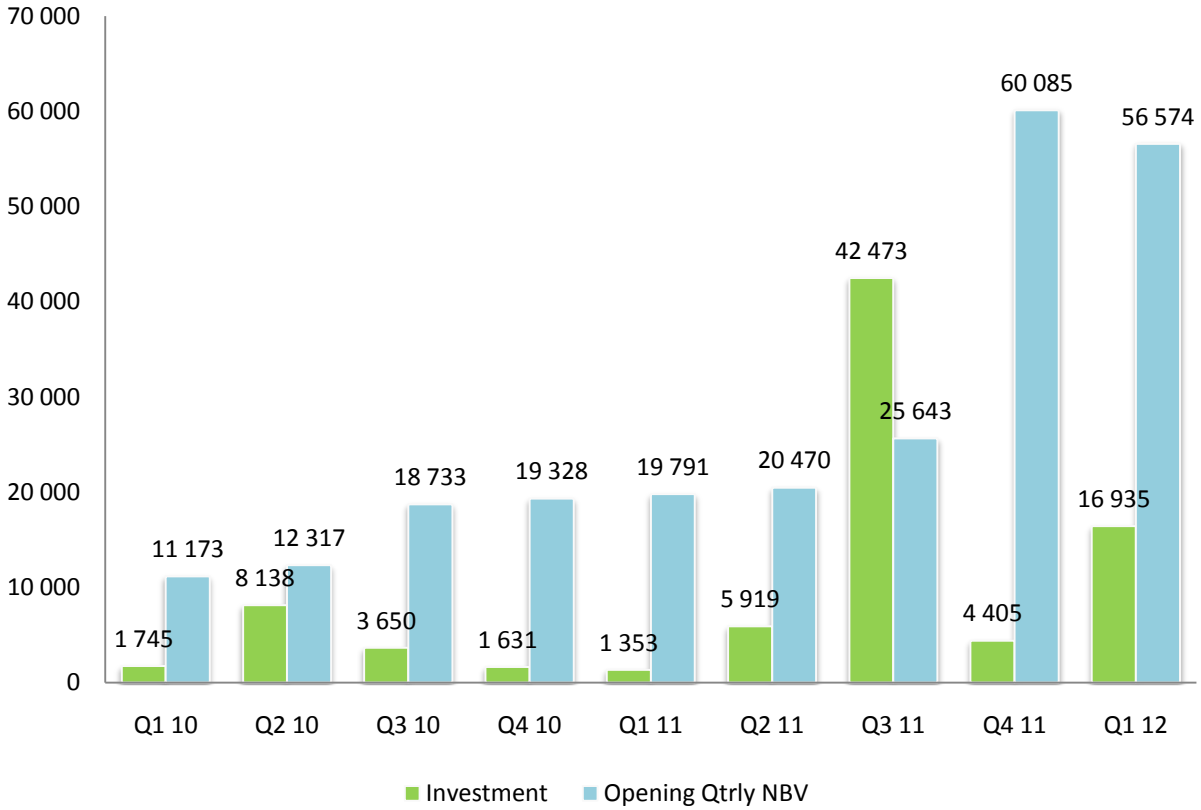
Spectrum announced, in partnership with CGGVeritas, a new 2D Multi Client seismic survey offshore Indonesia covering several open acreage blocks in the Sumba Straits, Indonesia - an area that has attracted significant industry interest.

Spectrum announced, in partnership with CGGVeritas and the National Petroleum Corporation of Namibia (NAMCOR), a new 2D Multi-Client seismic survey covering the deepwater Orange Basin, offshore Namibia. The program includes the acquisition of around 7,000 km of long offset data covering both held and open blocks in the Orange Basin. Prefunding of 100% has been obtained from companies supporting the program.

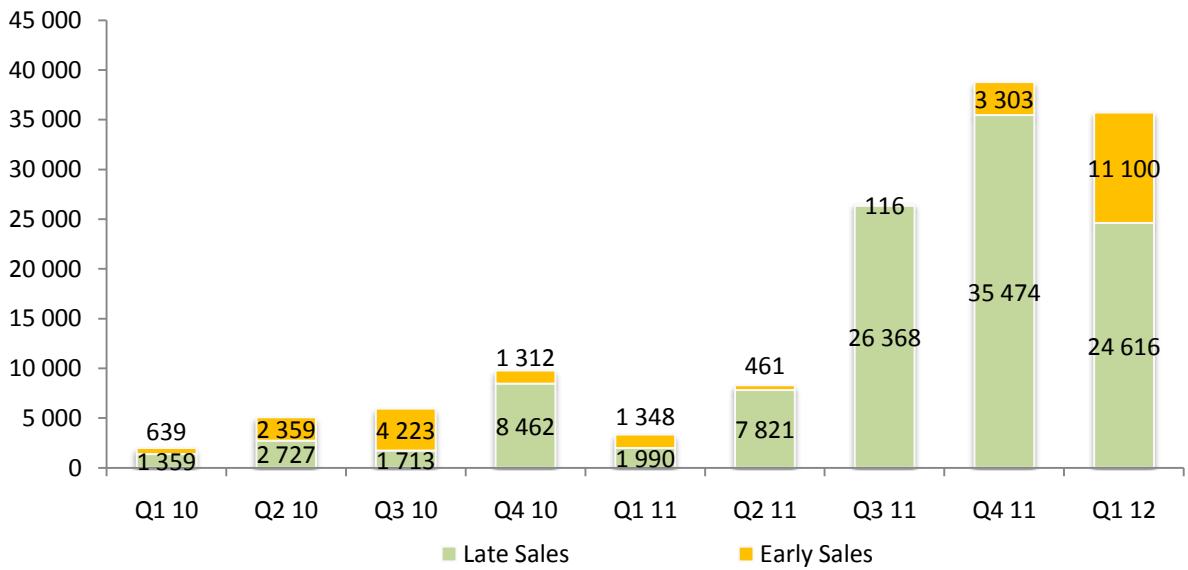
Spectrum announced, in partnership with CGGVeritas and GeoData Ventures, a broadband 2D Multi-Client seismic survey offshore West Timor, Indonesia, utilizing CGGVeritas' state-of-the-art BroadSeis(TM) technology. The largely prefunded program, covers 3,340 km over the Timor Sea. The survey is situated within an underexplored region with a complex geology, making the combination of BroadSeis(TM) acquisition and pre-stack depth migration (PSDM) the optimal technology solution for this area.

Post Q1 2012 Spectrum announced, in partnership with NAMCOR, a new 2D project in the Luderitz basin offshore Namibia of 4400 km. Also a new project offshore Brazil in the Amazonas area of 15,000 km has been initiated.

Investment in Multi Client Libraries (\$000's)



Multi-client Revenue - Gross (\$000's)



Accounting principles

Multi Client libraries:

Carrying Value

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 booking, and are categorised as non-current intangible assets. They are valued at cost (or fair value/cost where purchased from a third party) less accumulated amortisation and impairment losses.

Amortisation

Accumulated amortisation is calculated as the higher of amortisation according to sales or Spectrum's minimum amortisation policy. Cumulative sales amortisation is calculated as the proportion of cumulative revenue recognized for a survey to the total estimated revenue to be earned from that survey, multiplied by the total estimated cost for the survey. Spectrum's minimum amortisation policy is to reduce the carrying amount of a survey by 40% in the first year after completion, and by a further 20% in each of the subsequent years so that the carrying value of the survey will be reduced to zero within a maximum of four years after it has been completed.

Revenue recognition

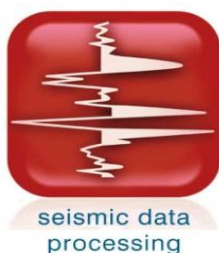
Early sales – When the Spectrum Group obtains funding for a particular survey before it is completed in data processing, revenue is recognized on a percentage of completion basis.

Late sales – Revenue earned against 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 at least once a year at 30th September.

SEISMIC DATA PROCESSING



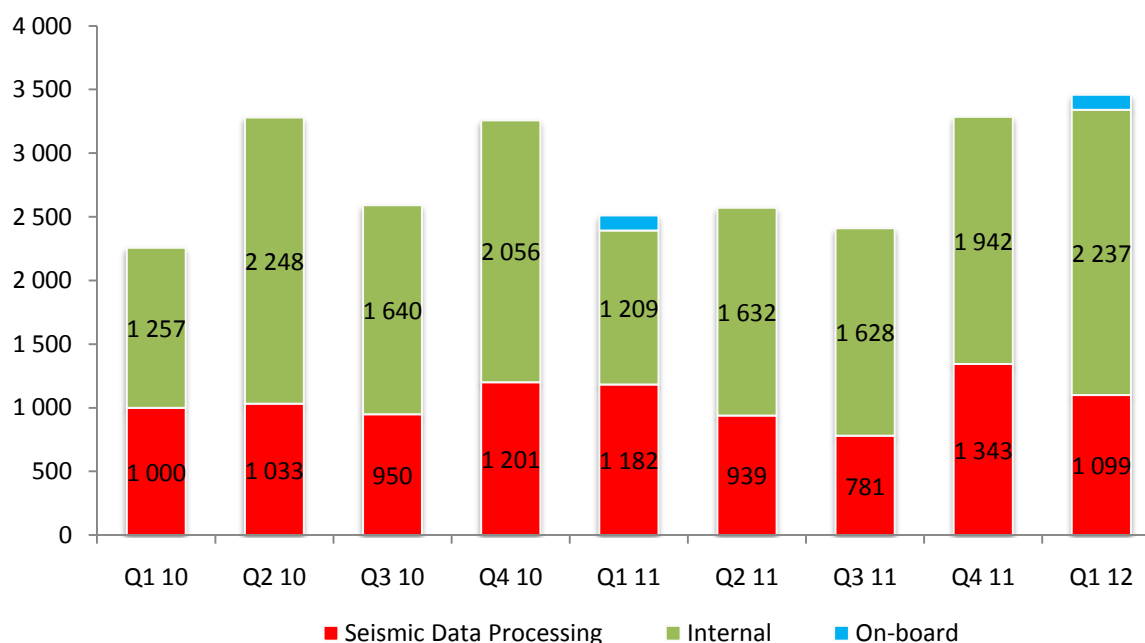
(MUSD)	Q1 12	Q1 11
External revenue	1,2	1,3
Internal revenue	2,2	1,2
Total revenue, gross	3,5	2,5
EBITDA	0,1	(0,3)

Seismic data processing is provided from connected processing centres in UK, US, China, Egypt and Indonesia. Spectrum's seismic processing technology is based on carefully selected third party software complemented by Spectrum's SPA production processing platform, which is constantly being enhanced with new processing techniques.

The seismic data processing division contributed with MUSD 1.2 (2011: MUSD 1.3) of external revenue in the quarter. In addition, a number of internal projects were processed for the Multi Client division, generating internal revenue of MUSD 2.2 (2011: MUSD 1.2). In the first quarter, 65% (2011: 48%) of the capacity of Spectrum's seismic data processing business unit was utilized in processing data for the Multi Client division.

The seismic data processing division generated an EBITDA of MUSD 0,1 (MUSD -0.3) for the quarter. The measure is slightly negatively impacted by performing a higher proportion of internal work for the Multi Client division as it has in the first quarter. The seismic data processing division provides a valuable service to the Spectrum Multi Client segment.

Seismic Data processing - Gross (\$'000's)



FUTURE PROSPECTS

With an oil price above 85 USD /BBL, Spectrum expects increased E&P spending in 2012. Oil prices above this level should support increased investments in frontier areas, which we believe will benefit our Multi Client strategy going forward.

The current balance sheet and the group's expected operational cash flow going forward provide Spectrum with the opportunity to develop its strategic goal to be the leading marine MC company primarily through organic growth. In addition, possible acquisitions will be evaluated on an opportunistic basis.

The group plan to invest approximately MUS\$ 70 in Multi Client projects in 2012 with a satisfactory prefunding level.

SPECTRUM GROUP
Interim Condensed Consolidated Income Statement

(US\$000's)	Quarter ended 31.03.12 (Unaudited)	Quarter ended 31.03.11 (Unaudited)	12 months ended 31.12.11 (Audited)
Total operating revenue	36,935	4,639	81,245
Revenue share	(12,158)	(1,095)	(30,287)
Net operating revenue	24,777	3,544	50,958
Operating expenses	(7,990)	(3,397)	(17,043)
EBITDA	16,787	147	33,915
Depreciation	(530)	(331)	(1,576)
Amortisation	(11,023)	(799)	(17,637)
EBIT	5,233	(983)	14,702
Interest expense, net	(582)	(8)	(576)
Foreign exchange profit / (loss)	(1,200)	(269)	1,089
Share of profit / (loss) from associates	0	31	107
Other financial items	(3,507)	(27)	(1,074)
Profit / (Loss) before tax	(55)	(1,256)	14,248
Tax expense	(899)	(13)	143
Net Profit / (Loss) from continuing operations	(954)	(1,269)	14,391
Discontinued Operations			
Net Profit / (Loss) from discontinued operations	0	(1,344)	(1,402)
Net Profit / (Loss) to equity holders	(954)	(2,613)	12,989
Other comprehensive income:			
Exchange differences on translation of foreign operations	7	(32)	37
Total Comprehensive income / (loss) for the period	(947)	(2,645)	13,026
Earnings per share	(0.03)	(0.00)	0.49
Diluted earnings per share	(0.02)	(0.00)	0.31
Basic shares outstanding average	37,428,660	26,588,479	29,240,797
Diluted shares outstanding average	45,842,416	26,588,479	31,006,227
Basic shares in issue at the end of the quarter	37,428,660	26,588,479	37,428,660
Diluted shares in issue at the end of the quarter	46,211,305	26,588,479	45,711,305

SPECTRUM GROUP
Interim Consolidated Statement of Financial Position

(US\$ 000's)	31.03.12 (Unaudited)	31.03.11 (Unaudited)	31.12.11 (Audited)
Assets			
Non-current assets			
Intangible assets			
Goodwill	11,098	11,330	11,306
Investment in Joint Ventures	1,668	1,641	1,668
Software	2,746	549	2,841
Multi-client library	62,020	20,470	56,574
Fixtures, fittings and office equipment	1,834	3,574	1,832
Total non-current assets	79,365	37,564	74,221
Current assets			
Inventory	314	117	314
Work in Progress	6,464	4,541	1,500
Accounts receivable	26,407	10,184	36,265
Other receivables	5,152	3,873	3,786
Cash and cash equivalents	16,686	7,378	5,953
Total current assets	55,023	26,093	47,818
Total assets	134,388	63,657	122,039
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital	6,556	4,597	6,556
Share premium reserve	60,389	30,989	60,389
Other capital reserves	3,780	0	1,452
Retained earnings	12,041	1,505	12,988
Foreign translation reserve	(1,886)	(1,955)	(1,886)
Total equity	80,880	35,136	79,499
Liabilities			
Long term liabilities			
Deferred tax liability	174	549	174
Long term interest bearing debt	7,378	0	6,763
Other liabilities	9,251	5,577	6,729
Total long term liabilities	16,803	6,126	13,666
Current liabilities			
Short term interest bearing debt	1,646	652	1,202
Payable tax	173	393	30
Accounts payable	6,111	6,471	3,860
Other liabilities	28,776	14,879	23,782
Total current liabilities	36,705	22,395	28,874
Total shareholders' equity and liabilities	134,388	63,657	122,039

SPECTRUM GROUP
Interim consolidated statement of changes in equity
(Unaudited)

(US\$000's)	Issued Capital	Share Premium	Other Capital Reserves	Retained Earnings	Other Capital Reserves	Total Equity
At 31 December 2010	4,597	35,107	0	0	(1,923)	37,781
Share issue 16 September	1,626	21,137				22,763
Share issue 21 December	333	4,326				4,659
Share options granted			1,452			1,452
Transaction cost		(181)				(181)
Profit / (Loss) for period				12,988		12,988
Other comprehensive income					37	37
At 31 December 2011	6,556	60,389	1,452	12,988	(1,886)	79,499
Share options granted			2,328			2,328
Profit / (Loss) for period				(954)		(954)
Other comprehensive income				7		7
At 31 March 2012	6,556	60,389	3,780	12,041	(1,886)	80,880

SPECTRUM GROUP
Interim Consolidated Statement of cash flows

(US\$000's)	Quarter ended 31.03.12 (Unaudited)	Quarter ended 31.03.11 Unaudited)	12 months ended 31.12.11 (Audited)
Cash flows from operating activities:			
Profit / (Loss) before tax	(55)	(1,256)	14,246
Income taxes paid	(899)	-	-
Depreciation and amortisation	11,553	1,157	19,213
Interest income, net	201	7	576
Other financial items	3,887	(32)	(15)
Share of (profit) / loss of associated undertaking	-	-	(107)
Share options granted	2,336	-	1,452
Working capital changes	9,898	1,091	(19,028)
Net cash flow from operating activities	26,921	967	16,337
Cash flows from investing activities:			
Investment in multi-client library – new	(16,943)	-	(31,401)
Investment in goodwill	-	(1,353)	-
Investment in tangible assets	-	-	(4,197)
Disposal of tangible assets	-	(485)	-
Net cash flow from investing activities	(16,943)	(1,838)	(35,598)
Cash flows from financing activities:			
Issued share capital	-	-	-
Equity transaction costs	-	-	(181)
Acquisition Loan	275	-	32,457
Payment of borrowings	(124)	-	(14,511)
Interest paid (net)	-	-	-
Net cash flow from financing activities	151	-	17,765
Net change in cash and cash equivalents, continuing operations	10,129	(871)	(1,496)
Net change in cash and cash equivalents, discontinued operations	(53)	(2,385)	(3,547)
Net foreign exchange diff (unrealised)	656	(153)	210
Cash & cash equivalents at start of period	5,953	10,787	10,787
Cash and cash equivalents at end of period	16,686	7,378	5,953

SPECTRUM GROUP

Notes to the condensed interim financial statements

Note 1 - General information

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

Note 2 – Basis of preparation

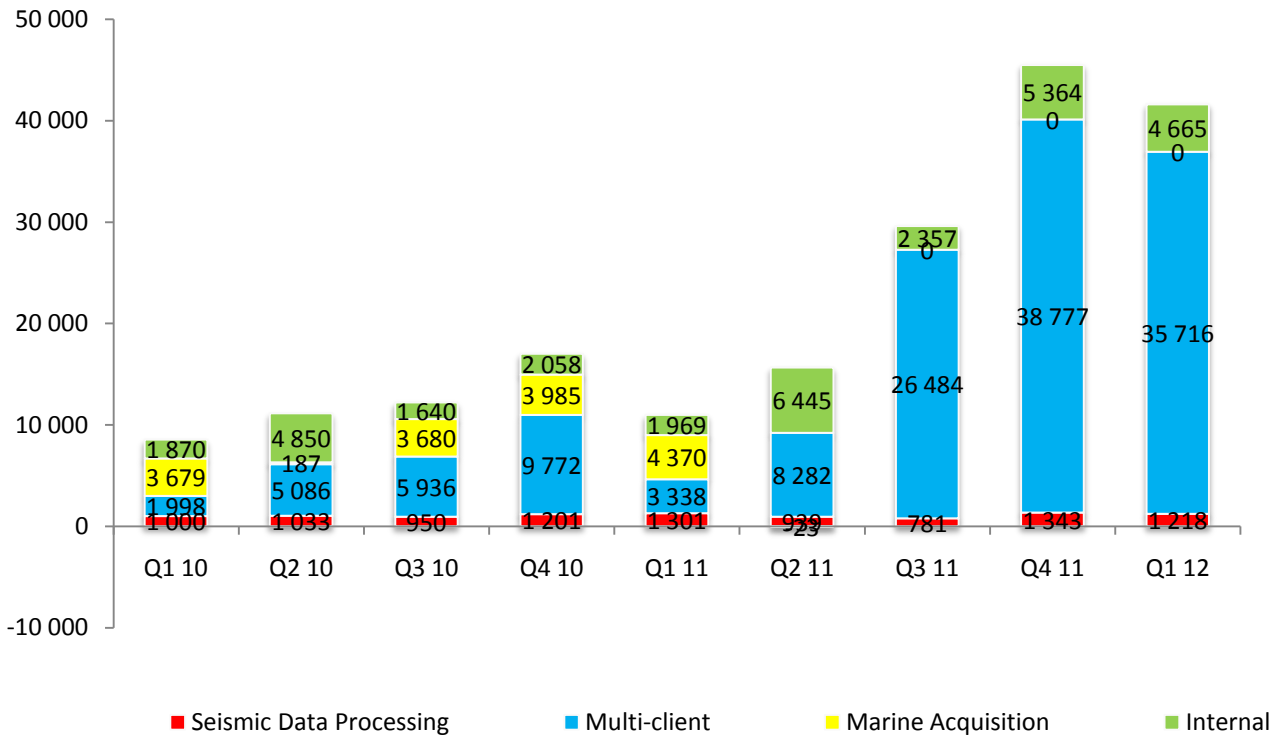
The consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries and Spectrum's interest in equity accounted joint ventures as at 31th March 2012. The reporting period of subsidiaries coincides with that of the group, and the financial statements of 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 2011 published in February 2012. Full details of the policies are described in Note 1 of those accounts and are available from the registered office.

All intra-group balances, income and expenses resulting from intra-group transactions are eliminated in full.

Note 3 – Segmental Reporting

(US\$000's)	Quarter ended 31.03.12 (unaudited)	Quarter ended 31.03.11 (unaudited)	12 months ended 31.12.11 (audited)
Revenue			
Multi Client Services	35,717	3,339	76,881
Seismic Data Processing	1,218	1,300	4,364
	36,935	4,639	81,245
EBITDA			
Multi Client Services	16,642	475	34,566
Seismic Data Processing	145	(328)	(651)
	16,787	147	33,915
EBIT			
Multi Client Services	5,619	(291)	17,028
Seismic Data Processing	(386)	(692)	(2,326)
	5,233	(983)	14,702

Revenue By Segment - Gross (\$'000's)



Note 4 – Subsequent Events

Spectrum, in partnership with the National Petroleum Corporation of Namibia, has commenced a new project in the Luderitz basin following the successful completion of an extended 2D Multi-Client seismic survey covering the deep water Orange Basin, offshore Namibia.

The Orange Basin program acquisition has been completed with additional lines now extending the program to over 8,000 km of long offset data. The vessel has now commenced a new regional program in the Luderitz Basin consisting of 4,400 km plus a potential infill of 1,200 km.

Spectrum commenced the next phase of their Brazilian Equatorial Margins program taking the first shot on the 15,000 kilometer Foz do Amazonas survey. After completion of this survey in the third quarter 2012, Spectrum will have collected over 27,000 kms of new long offset over this highly prospective region.

The program is designed such that it covers sector blocks expected to be announced in the 11th license round in 2012 and the program is supported by industry funding.

Twenty largest shareholders in Spectrum ASA 23. April 2012

	Shareholder	Shares	%	Country
1	CGG VERITAS	10,840,181	28.96	FRA
2	FERNCLIFF DAI 1 AS	4,575,024	12.22	NOR
3	GROSS MANAGEMENT AS	4,108,945	10.98	NOR
4	SPENCER TRADING INC.	4,008,736	10.71	LBR
5	SOLAN CAPITAL AS	1,983,423	5.3	NOR
6	SPENCER ENERGY AS	1,350,200	3.61	NOR
7	FOLKETRY GDFONDET	841,913	2.25	NOR
8	TVETERA AS EIENDOMSSELSKAP A/S	800,000	2.14	NOR
9	SKAGEN VEKST	730,000	1.95	NOR
10	MP PENSJON PK	699,000	1.87	NOR
11	CAMACA AS	657,143	1.76	NOR
12	SÆTER HAAKON MORTEN	576,800	1.54	NOR
13	TOLUMA NORDEN AS	340,773	0.91	NOR
14	MIDDELBOE AS	300,000	0.8	NOR
15	ROME AS	251,435	0.67	NOR
16	FLISA EIENDOMSINVEST AS	197,000	0.53	NOR
17	F2 FUNDS AS	189,936	0.51	NOR
18	WACI INVEST AS	188,249	0.5	NOR
19	STOREBRAND LIVSFORSIKRING AS	153,352	0.41	NOR
20	BAKLIEN ÅSMUND	150,672	0.4	NOR
	Other	4,485,878		
Total number of shares		37,428,660		

Reporting dates 2012

Results 2nd quarter 2012: August 17th

Results 3rd quarter 2012: November 2nd

Results 4th quarter 2012: February 15th 2013



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