

Spectrum ASA

2nd Quarter & Interim Results 2010



seismic data
processing



multi-client
services



marine
acquisition

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Summary

(US\$000's)

	<u>Quarter ended</u>		<u>6 Months ended</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue	6,305	11,782	12,981	25,371
EBITDA	1,635	2,620	2,070	4,930
% EBITDA/Revenue	25.9%	22.2%	15.9%	19.4%
Cash flow from operating activities	1,506	5,925	4,026	8,018
Investment in Multi Client Libraries *Incl. Acquisition of ASB	7,822	2,756	9,883	3,112
Cash Balance	12,446	17,386	12,446	17,386

Quarter Highlights

- Multi Client revenue was US\$5.1m (09:US\$ 3.7m) with early sales of US\$2.3m (09: US\$ Nil) and late sales of US\$2.8m (09: US\$3.7) recognised. Multi Client reported a positive EBIT of US\$2.2m (09:US\$1.3m).
- Investment in multi client libraries was US\$7.82m (09: US\$2.76m).
- Data Processing revenue was significantly lower than the prior year due to the absence of on-board processing revenue in 2010 following conclusion in Jun 09
- Excluding on-board processing, data processing gross revenue of US\$3.28m is the highest since formation of the group, and exceeded previous high by more than 45%
- The GGS Atlantic acquired data for the **Big Wave** Phase 4 project in the Gulf of Mexico for 45 days in Q2. Only 4 days in the quarter were spent on proprietary work.
- The GGSA spent 17 days in port in Florida for the planned upgrade to enable her to shoot small footprint high resolution 3D surveys.
- Marine Acquisition performance suffered in Q2 as some significant costs associated with the maintenance work, and the GGSA spent 16 days mobilising for proprietary acquisition jobs.
- Data processing of **Big Wave** Phase 2 (PSTM and PSDM) was completed in June, and Andaman PSDM processing was also complete by the end of Q2.

6 Months Highlights

- A private placement of 6m shares at NOK 13.5 in Jan 2010 and a subsequent repair issue raised US\$17.3m after costs.
- Australian Seismic Brokers Pte Ltd was acquired on 31st Mar 2010 for an initial consideration of US\$ 1.45m, increasing to US\$ 1.96m dependent on achieving set revenue targets.
- Acquisition of a 6,500km proprietary contract in Colombia was completed generating external revenue in Q1 of US\$3.7m (09: US\$6.1m).
- Data Processing reports record gross revenues for consecutive quarters in Q1 and Q2 (excluding on board processing).
- GGSA upgraded to a high resolution 3D vessel in Q2.
- Investment in multi-client libraries increased substantially to US\$9.6m (2009: US\$3.1m) for the first half of 2010.
- The **Big Wave** Phase 4 survey in the GoM saw significant development with the GGSA acquiring 3,806 Km and the BGP Challenger acquiring a further 5,343 km of data, together representing approx. 70% of the total acquisition.

SECOND QUARTER REPORT FOR SPECTRUM ASA

Spectrum has three operating segments, planning, licensing and execution of multi-client seismic surveys "MC", seismic data processing "DP", and offshore seismic acquisition "MA"

STATEMENT OF COMPREHENSIVE INCOME

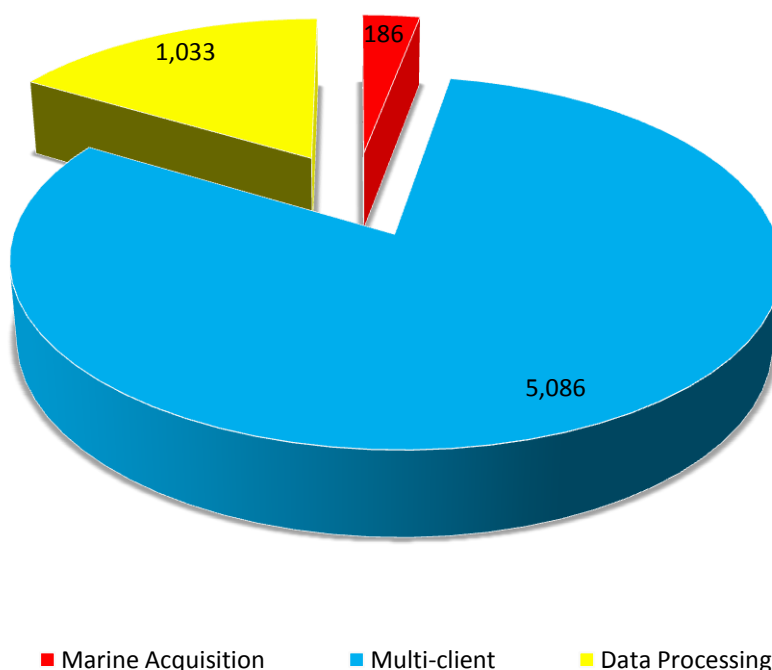
The market in Q2 continued to be weak, with a soft climate for late MC sales and ongoing uncertainty in the GOM following the Deep Water Horizon explosion in April. Spectrum also experienced increased pressure on prices for proprietary work in a seismic acquisition market with the supply of seismic vessels exceeding demand.

Group revenue (external) for the second quarter was US\$6.31m (09:US\$11.78m) which was below management expectations. The year on year reduction reflects the amount of time the GGS Atlantic "GGSA" was used in acquiring data for the **Big Wave** Phase 4 survey, rather than external proprietary contracts and completion of the on-board processing contract in Jun 09.

MC revenue showed an increase of US\$3.09m (155%) from the previous quarter to US\$5.09m (Q1 10: US\$2.00m) with early sales increasing by US\$1.72m (269%) with the start of acquisition activity for **Big Wave** Phase 4. DP revenue increased by 3.2% to US\$1.03m (Q1 10: US\$1.00m) reflecting increased workload and a more effective utilization of Spectrum's processing capacity. MA was able to make a positive contribution to revenue in the quarter of US\$0.19m (Q1 10: US\$3.68m) as the GGS Atlantic completed a small proprietary acquisition contract in the Bahamas after spending 45 days in the Gulf of Mexico acquiring data for **Big Wave** Phase 4.

Group EBITDA for Q2 of US\$1.64m (Q1 10:US\$0.44m) is a significant improvement on the prior quarter but reduced by the negative EBITDA result for MA. The EBITDA for MC of US\$2.18m was partially offset by an EBITDA loss of US\$1.48m from MA which was primarily due to the GGSA transit times to proprietary acquisition sites and routine maintenance work on the vessel that was expensed in the period. Operating costs of US\$4.67m were in line with management's expectations.

Q2 Revenue - External
(\$000's)



STATEMENT OF FINANCIAL POSITION

The total assets of the company are US\$61.16m split between intangible assets of US\$32.46m, tangible assets of US\$3.49m, financial assets of US\$1.44m and current assets of US\$23.77m. These are funded by equity of US\$47.96m, long term liabilities of US\$3.26m and current liabilities of US\$10.00m.

In the period there were additions to the multi-client library of US\$7.82m predominately relating to the **Big Wave** Phase 4, **Big Wave** Phase 2, **Big Wave** Phase 1 reprocessing, Trinidad and US Atlantic Coast surveys. These additions were offset by amortisation of US\$1.72m in the period. Having reviewed the value of the intangibles and future cash flows and opportunities the company did not make any provision for any additional impairment of goodwill or the seismic data libraries in the quarter, except for a foreign exchange loss of US\$0.4m. Tangible assets received an investment of US\$1.48m in the quarter, which is mainly due to the 3D upgrade of the GGS Atlantic (page 8), and depreciation of US\$0.40m resulted in a closing balance of US\$3.49m.

During Q2 there has been a small increase in accounts receivable from US\$5.71m to US\$6.10m as a result of final invoices being issued to prefunding customers on completion of **Big Wave** Phase 2. This effect was reduced as a result of a concerted effort to chase outstanding receivable balances.

Excluding long term finance leases taken out against specific tangible assets, the company has no long term debt. The unrestricted cash balance decreased in Q2 by US\$8.78m to US\$12.45m, largely as a result of the increased investment in MC data libraries and delays in receiving prefunding payments from customers on completion of the **Big Wave** Phase 2 survey. Management considers that it has sufficient liquidity to meet its ongoing operational obligations.

Other long term liabilities of US\$2.66m include amounts payable in future periods for the lease of the BGP Challenger and accruals for the GGS Atlantic dry docking included in the planned maintenance program scheduled in Jan 2012 under the Bareboat charter agreement. Short term liabilities are US\$10.0m, increased from US\$9.90m at the end of Q1, representing accounts payable and accruals.

The Purchase Price Allocation (PPA) for the acquisition of Australian Seismic Brokers (ASB) was completed in Q2 and is detailed in Note 3. Additional consideration is due after 12 and 24 months dependent on predefined revenue targets being achieved. The PPA reported in Q2 is provisional and may be changed if new information regarding ASB at the date of purchase comes to the attention of Spectrum Management.



MULTI-CLIENT SERVICES

Spectrum's multi-client library is composed of data and reports from many of the major oil producing and frontier regions of the world. Multi-client operations are developed, managed and sold through offices in the UK, USA, Singapore and Australia.

The library now comprises in excess 412,000 km of 2D data together with an extensive geoscan library. The library is replenished and continually enhanced with the addition of new surveys and the reprocessing of older components.

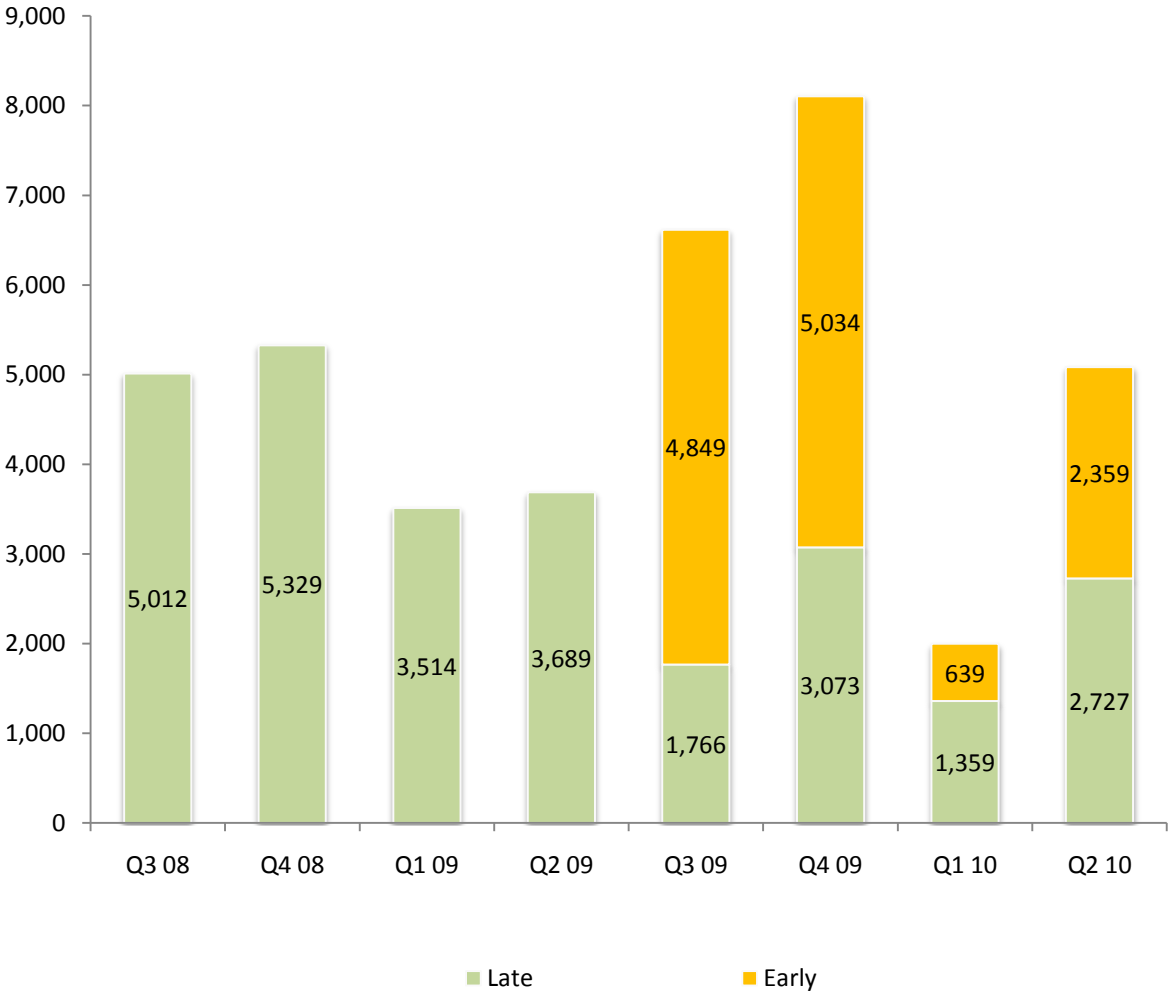
With the start of acquisition of **Big Wave** phase 4 in March, the **Big Wave** program in the Eastern Gulf of Mexico will extend to cover 65,000km. The BGP Challenger arrived in the Gulf of Mexico to acquire data on this survey on May 15th and continued through the end of the quarter. By the end of Q2, 70% of the acquisition phase of **Big Wave** Phase 4 was complete, and the remainder of the survey was acquired by the end of July.

The data processing for Spectrum's **Big Wave** Phase 2 multi-client survey in the eastern Gulf of Mexico, including both Kirchhoff and Wave Equation pre-stack depth migration (PSDM) was completed in June for delivery to customers. PSDM processing of the Andaman Islands survey was

also completed by the end of Q2. Early sales revenue of US\$ 2.36m was recognised in Q2 across a number of surveys, and US\$ 1.91m of this related to the **Big Wave** program.

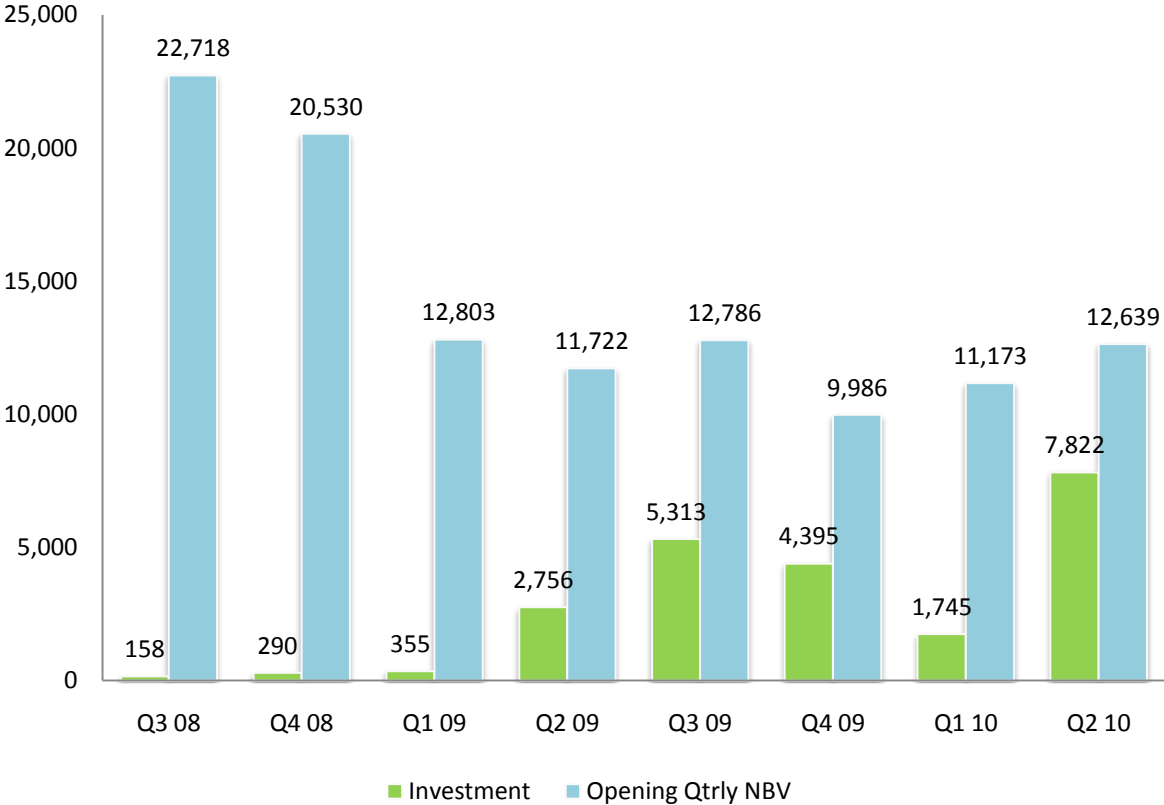
In Q2 2010, late sales reached US\$ 2.73m (09:US\$ 3.69m) which were disappointing as certain opportunities did not close in the period. Revenue from Multi-client sales was 81% of total group Revenue in Q2 2010. Multi-Client revenue is cyclical in nature with first and third quarters historically showing the worst results. The low number of data libraries owned by Spectrum has also led to volatility in the company's revenue flow but this factor is expected to have less effect on revenue flows as new libraries are completed and made available to the market. The management of Spectrum expects multi-client revenue to continue to grow as the company continues to invest and develop the multi-client data library.

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



Including the fair value of the ASB libraries of US\$0.32m, Spectrum invested US\$7.82m (09: US\$2.76m) in the MC library during Q2 2009. Spectrum is planning to add over 100,000 km of data to its' multi client libraries in 2010 by investing US\$17-US\$20m, which is more than 50% growth from the previous year.

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



Accounting principles –

Pre-commitment arrangements - When the Spectrum Group obtains pre-funding from customers before a seismic project is completed, the customer is normally entitled to a discounted price and/or is granted the opportunity to provide input into the project parameters. The Spectrum Group then recognises the pre-commitment revenue as the services are performed on a percentage complete basis. As progress is made through the project plan, this physical progress is recognised as revenue based on a percentage basis of the pre-commitment funds received, provided that all other revenue recognition criteria are satisfied.

The Multi-Client library comprises completed surveys and surveys in progress that can be licensed to multiple customers. All direct costs related to data collection, processing and completion of seismic surveys are capitalised. The Multi-Client library is capitalised at cost less accumulated amortisation and impairment losses. Amortisation is the proportion of the total cost of a survey calculated according to the proportion of cumulative revenues for the survey to the estimated total revenue for the survey. The costs of a survey are completely amortised when the estimated revenue has been reached. Estimated revenues are reviewed continuously and these may change to reflect market conditions. The amortisation expense of the Multi-Client library fluctuates according to the level of revenue and revisions to estimated remaining revenues. In addition, the Group has a minimum amortisation policy where the carrying amount one year after completion is at a maximum 60% of cost. This maximum level is reduced by 20% for each of the three subsequent years.

In accordance with its accounting practices Spectrum reviews its intangible assets and data libraries at 30th Sept and, as reported above, there has been no additional impairment provision in the quarter.



SEISMIC DATA PROCESSING

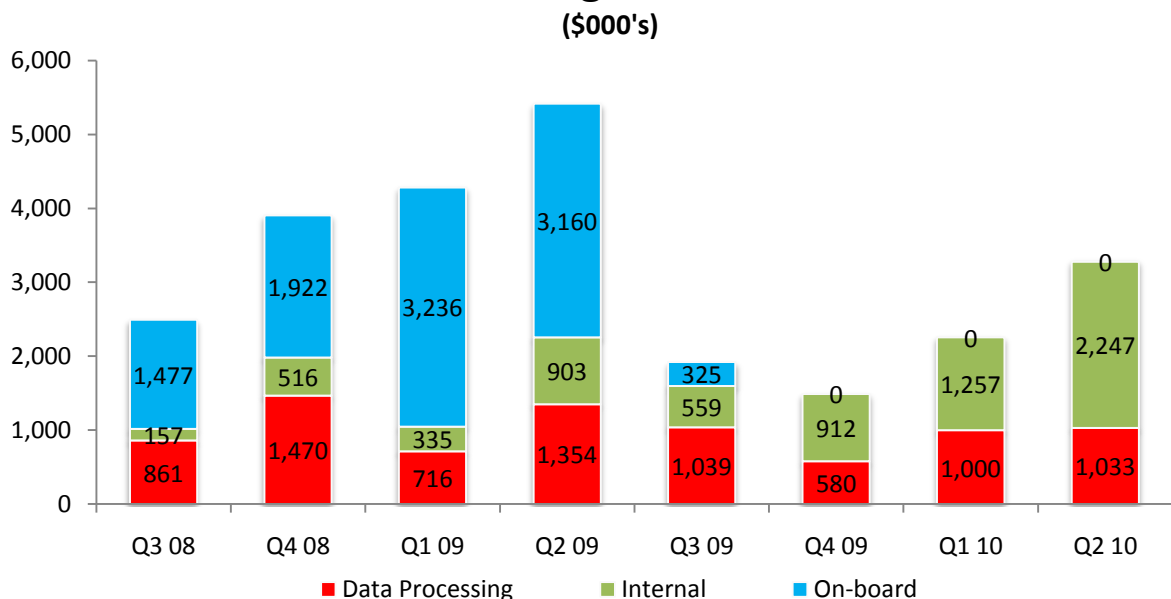
Seismic data processing services are provided from processing centers in UK, US, China, Egypt and Indonesia. One of the core strengths of Spectrum is the experience of the processing geophysicists. Spectrum's seismic processing technology is based on carefully selected third party software complemented by Spectrum's SPA production processing platform, which is constantly being enhanced with new processing techniques. All centers are connected by a high speed Virtual Private Network which facilitates continuous support and new processing techniques from the primary computer centre in Houston. New software was purchased in Q2 of 2010 which should lead to further efficiencies in projects requiring PSDM processing. There is currently over 140,000km of 2D data being processed within Spectrum's data processing centers and additional projects have received approval for processing once current projects have been completed.

External data processing revenue continues to be affected by the downturn in exploration globally. There is some visibility of a slow increase in the level of bid activity, however there remains intense pressure on prices. Spectrum continues to increase its profile in all geographic markets and raise awareness of technical abilities both through internal resources and technical strategic partnerships. The Tsunami PSDM software has been selected as a key component of Spectrum's data processing software. This high-end imaging software was rolled out in Q4 2009 and Q1 2010 and has expanded the range and technology of products available for the multi-client data libraries as well as providing a higher quality imaging service for proprietary processing.

The seismic data processing division contributed US\$1.03m (09:US\$4.51m) of revenue in the quarter but the level of internal revenue earned by this group processing data on behalf of the MC operating segment has increased dramatically by 150% to US\$ 2.25m (09: US\$ 0.90m) This reflects both the change in focus for Spectrum toward a multi-client data company and the increased level of investment in the MC data libraries. Between Q3 2008 to Q3 2009, on-board processing generated more than US\$10m of revenue for the company, which accounted for more than 56% of gross revenue for the seismic data processing division for this period. Excluding income from this source, however, Q2 has seen this operating segment producing the highest revenues in the company's history.

The profitability of the seismic data processing division has continued to show improvement in Q2 in a highly competitive market. Senior management continues to monitor this division closely and further increases in profitability are expected during the remainder of 2010 through a combination of more aggressive and systematic marketing and an anticipated moderate improvement in the seismic sector.

Data Processing Revenue - Gross





MARINE ACQUISITION

The GGS Atlantic commenced acquisition of the **Big Wave** phase 4 survey in Q2, a 12,000km 2D survey which will require investment of up to US\$10m. In total, the GGS Atlantic spent 45 days in the quarter acquiring data for this survey.

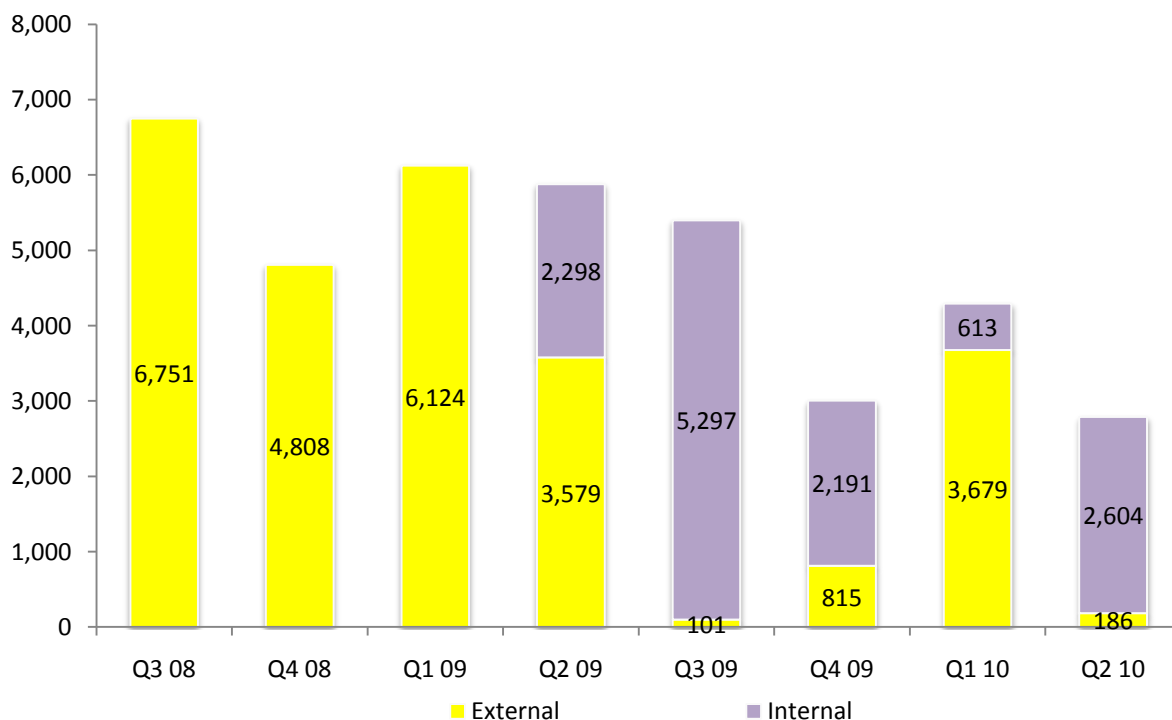
The GGS Atlantic spent 17 days in port in Florida during Q2 for the planned upgrade that enabled the vessel to acquire small footprint high resolution 3D surveys. Costs associated with this upgrade have been separately identified and capitalised. At the same time that this work was in progress, the opportunity was taken to perform a considerable amount of maintenance work on the GGS Atlantic.

The Marine Acquisition operating segment recorded an EBITDA loss of US\$1.48m in the quarter due to the amount of time that the vessel spent acquiring data for the **Big Wave** Phase 4 survey and transiting to proprietary surveys, the cost of which has been expensed in the period.

The GGS Atlantic acquired a small 2D proprietary survey in the Bahamas en-route to Trinidad, and was in transit to the survey area in Trinidad at the end of Q2 to acquire its first proprietary 3D survey. This survey is for 260 square Km of 3D data, the acquisition phase has a value of USD 3.8m to Spectrum and is expected to be complete by mid September.

After the survey in Trinidad, Spectrum has no further contracted work in place for the GGS Atlantic although management are investigating a number of opportunities with third parties and for utilising the vessel to acquire data for new multi-client surveys. Spectrum recognises that despite an overall reduction in global seismic fleet capacity the level of supply of seismic vessels continues to exceed demand, and there is considerable price pressure in the 2D Marine acquisition market with rates having fallen from the highs of Q4 2008. However there are some external projects being investigated and additional multi-client projects continue to be assessed to maximize the utilisation of the GGS Atlantic in the remainder of 2010.

Marine Acquisition Revenue - Gross (\$000's)



FUTURE PROSPECTS

There seems to be an increasing level of activity in the seismic sector but a large degree of uncertainty prevails, particularly relating to future oil & gas operations in the Gulf of Mexico in the short term. Management hold the view that the USA will continue to strive to produce increasing levels of oil & gas in order to meet more of its' domestic energy demands in the medium to long term. As the Gulf of Mexico is such a key area for oil production for the USA, Management remains cautiously optimistic regarding the future of this region and the group's **Big Wave** surveys and retains a positive outlook for Q3 and further into 2010.

It remains Spectrum's long term strategy to develop its expertise in its core areas with the identification of and continued investment in high quality data libraries, which increases both the depth of data library and geographical coverage together with enhancements to the data processing software and processing centers. In addition to the new projects previously announced during 2010 there are a number of opportunities reaching the latter stages of evaluation. The frontier nature of Spectrum's business means that the time from identification of a new survey to licensing the data can be over 24 months. Some existing re-processing projects will be completed during Q3 2010 adding to Spectrum's extensive worldwide library.

The capital raised in Q1 and the debt free balance sheet give Spectrum the opportunity to develop its strategic goals through both acquisition and internal growth. The current seismic market is still considered soft, however, and these conditions dictate that a focus on cost controls and cash flow be maintained. The prevailing market conditions continue to be uncertain, but Spectrum have identified a number of operational opportunities that will enable the company to gain added value within the seismic service market.

With its experience in evaluating targeted Multi-client opportunities and the short and medium term focus of securing additional projects for both data processing and the GGS Atlantic, the Board of Directors have reviewed the prospects for Spectrum and continue to adopt a cautious optimism for the Group's future activities.

DIRECTORS RESPONSIBILITIES

We confirm that, to the best of our knowledge, the condensed financial statements for the 6 months ended 30th June 2010 have been prepared in accordance with rules and regulations of the Oslo Axess Stock Exchange and International Financial Reporting Standard (IFRS) IAS 34, 'Interim Financial Reporting' as adopted by the EU in accordance with the Norwegian Accounting Act, giving a true and fair view of the Group's assets, liabilities, financial position and results of operation for the period.

Glen Ole Rødland
Chairman

Tone Bjørnov

Viggo Leisner

Anne Mürer

Sjur B Talstad

David Rowlands
Chief Executive Officer

All statements in this earnings release other than statements of historical fact are forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause Spectrum's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements.

SPECTRUM ASA
Condensed Statement of Group Comprehensive Income
(unaudited)

(US\$000's)	Quarter ended 30.06.10	Quarter ended 30.06.09	6 months ended 30.06.10	6 months ended 30.06.09
Revenue	6,305	11,782	12,981	25,371
Operating expenses	(4,670)	(9,162)	(10,911)	20,441
EBITDA	1,635	2,620	2,070	4,930
Depreciation / amortisation	(2,121)	(3,192)	(3,050)	(4,915)
EBIT	(486)	(572)	(980)	15
Interest expense, net	(1)	(268)	(12)	(705)
Foreign exchange profit / (loss)	(250)	(1,983)	(494)	(3,039)
Share of profit / (loss) from associates	70	(275)	96	(275)
Other financial items	(29)	(26)	(48)	(24)
Profit / (Loss) before tax	(696)	(3,124)	(1,438)	(4,028)
Tax expense	(986)	(494)	(986)	(512)
Net Profit / (Loss) to equity holders	(1,682)	(3,618)	(2,424)	(4,540)
Other comprehensive income:				
Profit / (loss) on foreign currency exchange rates	(1,194)	650	498	599
Total Comprehensive income / (loss) for the period	(2,876)	(2,968)	(1,926)	(3,941)
Earnings per share	(0.06)	(0.45)	(0.10)	(0.56)
Diluted earnings per share	(0.06)	(0.45)	(0.10)	(0.56)
Basic shares outstanding average	26,588,479	8,106,452	25,146,490	8,106,452
Diluted shares outstanding average	26,588,479	8,106,452	25,146,490	8,106,452

SPECTRUM ASA
Statement of Group Financial Position (unaudited)

-	Quarter ended	Quarter ended	Year ended
(US\$ 000's)	30.06.10	30.06.09	31.12.09
Assets			
Non-current assets			
Intangible assets			
Goodwill	11,147	10,926	9,364
Software	854	4,310	854
Deferred tax	1,336	-	1,336
Multi-client library, net	18,733	12,786	11,173
Total intangible assets	32,070	28,022	22,727
Tangible assets			
Financial assets			
Investment in joint ventures	1,417	1,449	1,379
Other investments	22	9	-
Total financial assets	1,439	1,458	1,379
Total non-current assets	36,998	34,318	26,214
Current assets			
Inventory / Work in Progress	3,525	509	3,086
Accounts receivable	6,103	12,173	7,868
Other receivables	1,696	1,456	1,178
Total receivables and inventory	11,324	14,138	12,132
Cash and cash equivalents	12,446	17,386	5,837
Total current assets	23,770	31,524	17,969
Total assets	60,768	65,842	44,183
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital	4,644	3,155	3,312
Share premium reserve	43,873	23,525	28,073
Retained earnings	1,694	-	4,118
Other equity reserves	(2,643)	(572)	(1,728)
Total equity	47,568	26,108	33,775
Liabilities			
Long term liabilities			
Deferred tax liability	550	2,770	454
Long term debt	-	313	652
Other liabilities	2,655	3,909	681
Total long term liabilities	3,205	6,992	1,787
Current liabilities			
Short term debt	511	24,382	842
Payable tax	261	494	169
Other liabilities	9,223	7,866	7,610
Total current liabilities	9,995	32,742	8,621
Total shareholders' equity and liabilities	60,768	65,842	44,183

SPECTRUM ASA
Condensed Statement of Group Cash Flows
(unaudited)

(US\$000's)	Quarter ended 30.06.10	Quarter ended 30.06.09	6 months ended 30.06.10	6 months ended 30.06.09
Cash flows from operating activities:				
Loss before tax	(696)	(2,283)	(1,438)	(2,184)
Depreciation and amortisation	2,121	3,192	3,046	4,916
Interest expense, net	1	268	12	709
Share of (profit) / loss of associated undertakings	(70)	275	(96)	275
Working capital changes	150	4,473	2,502	4,302
Net cash flow from operating activities	1,506	5,925	4,026	8,018
Cash flows from investing activities:				
Investment in subsidiary	(9)	-	-	-
Investment in multi-client library – new	(7,822)	(2,756)	(9,883)	(3,112)
Acquisition of subsidiaries, cash acquired	-	-	4	-
Investment in goodwill	-	-	(2,170)	-
Investment in tangible assets	(1,484)	(396)	(2,203)	(550)
Net cash flow from investing activities	(9,315)	(3,152)	(14,252)	(3,662)
Cash flows from financing activities:				
Issued share capital	-	7,683	17,984	7,683
Equity transaction costs	(178)	-	(852)	-
Deferred tax liability acquired	-	-	96	-
Interest paid (net)	-	(268)	-	(709)
Net cash flow from financing activities	(178)	7,415	17,228	6,974
Net change in cash and cash equivalents	(7,987)	10,188	7,002	11,330
Net foreign exchange diff (unrealised)	(798)	632	(393)	1,443
Cash & cash equivalents @ start of period	21,231	6,566	5,837	4,613
Cash and cash equivalents @ end of period	12,446	17,386	12,446	17,386

SPECTRUM ASA
Changes in Group Consolidated Equity
(unaudited)

(US\$000's)	Issued Capital	Share Premium	Retained Earnings	Other Capital Reserves	Total Equity
Balance @ 31 Dec 09	3,312	28,073	4,118	(1,728)	33,775
Equity Issue	1,332	16,651	-	-	17,983
Equity transaction costs	-	(673)	-	-	(673)
Profit / (Loss) for period	-	-	(742)	-	(742)
Other comprehensive income	-	-	-	279	279
Balance @ 31 Mar 10	4,644	44,051	3,376	(1,449)	50,622
Profit / (Loss) for period	-	-	(1,682)	-	(1,682)
Equity transaction costs - issue in Q1	-	(178)	-	-	(178)
Other comprehensive income	-	-	-	(1,194)	(806)
Balance @ 30 Jun 10	4,644	43,873	1,694	(2,643)	47,568

SPECTRUM ASA

Notes to the condensed interim financial statements

Note 1 - General information

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

Note 2 – Basis of preparation

The condensed 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 30th June 2009. 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 2009 published in May 2010. Full details of the policies are described in Note 1 of these accounts which are available from the registered office.

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

Note 3 – Business Combinations

Spectrum entered into an agreement on the 16th March to purchase Australian Seismic Brokers Pty Limited "ASB", increasing Spectrum's modern 2D Multi-Client data library in the Far East by over 150,000km. In addition ASB has one of the region's largest and most extensive well log data libraries and a substantial analogue library which will allow Spectrum ASB to identify additional new Multi-Client opportunities in the region. Under this agreement, Spectrum purchased 100% of the share capital and associated voting rights of ASB for a value of AUD 2.18m (US\$ 1.96m) or AUD 1.85 (US\$ 1.66) per share.

US\$ 000's	ASB Carrying Value at 31 Mar 10	Fair Value adjustment	Fair Value
Non Current Intangible Assets	-	321	321
Non Current Tangible Assets	46	-	46
Current Assets	107	-	107
Cash & Cash equivalents	4	-	4
Trade payables	(182)	-	(182)
Other payables	(216)	-	(216)
Deferred tax liability	-	(96)	(96)
Net Assets	(241)	225	(16)
Purchase Price			2,153
Goodwill on acquisition			2,170
<u>Purchase Price</u>			
Cash Paid			1,455
Deferred consideration			698
			<u>2,153</u>

The acquisition date for this transaction was the date of signing the purchase agreement, 31 March 2010 and the results have been consolidated in Q210.

Initially, AUD1.25 (US\$1.12) per share was paid on signature, secondly AUD 0.35 (US\$0.31) per share is payable subject to net sales revenue of US\$ 2.2m being achieved in the first 12 months after completion; thirdly AUD 0.25 (US\$0.23) per share is payable subject to net sales revenue of US\$ 2.75m being achieved in the second 12 months after completion or total net sales revenue of US\$ 4.95m being achieved within 24 months of completion. The consideration for the purchase was taken as cash.

The excess values of the acquisition:

Multi-client library: comprises significant surveys including Exmouth North, Exmouth South and North West Shelf. The costs of all multi-client surveys will be fully amortised in four years or less, in line with the group amortisation policy.

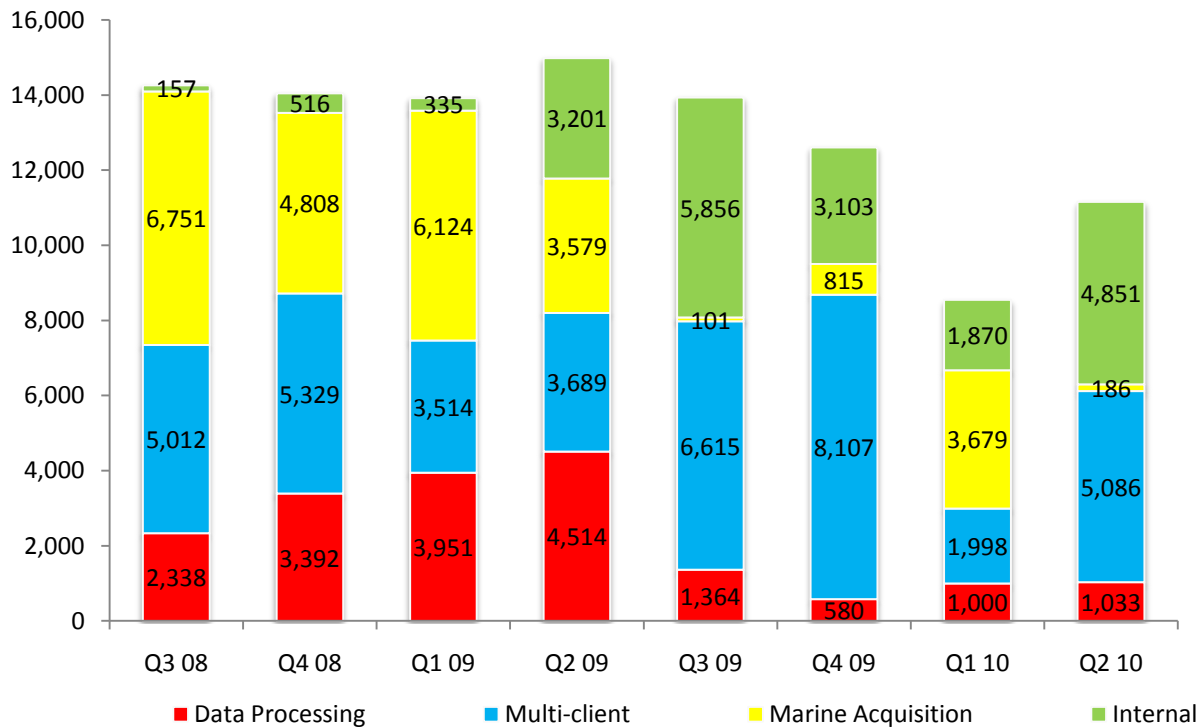
The goodwill recognised in this transaction relates to the market knowledge of the company acquired and the value of future surveys that can be generated from the existing multi-client data libraries owned by ASB.

Note 4 – Segmental Reporting

(US\$000's)	Quarter ended 30.06.10	Quarter ended 30.06.09	6 months ended 30.06.10	6 months ended 30.06.09
Revenue – Gross				
Seismic Data Processing	3,280	5,417	5,537	9,703
Multi-Client	5,086	3,689	7,084	7,203
Marine Acquisition	2,790	5,877	7,082	12,001
	11,156	14,983	19,703	28,907
Revenue – Net				
Seismic Data Processing	1,033	4,514	2,033	8,465
Multi-Client	5,086	3,689	7,083	7,203
Marine Acquisition	186	3,579	3,865	9,703
	6,305	11,782	12,981	25,371
EBITDA				
Seismic Data Processing	941	17	889	(426)
Multi-Client	2,177	1,290	3,166	2,779
Marine Acquisition	(1,483)	1,313	(1,985)	2,577
	1,635	2,620	2,070	4,930
EBIT				
Seismic Data Processing	643	(1,169)	325	(1,854)
Multi-Client	421	(628)	806	(373)
Marine Acquisition	(1,550)	1,225	(2,111)	2,242
	(486)	(572)	(980)	15

Note: After the allocation of group overheads which are based on a percentage of gross revenues of the respective segments.

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



Note 5 – Intangible Non-Current Assets

(US\$000's)	Goodwill	Software	Deferred Tax	Multi Client Libraries	Total
Balance @ 31 Dec 09	9,364	854	1,336	11,173	22,727
Additions	-	-	-	9,562	9,562
Acquisitions	2,170	-	-	321	2,491
Amortisation	-	-	-	(2,304)	(2,304)
Foreign exchange differences	(387)	-	-	(19)	(406)
Balance @ 30 Jun 10	11,147	854	1,336	18,733	32,070

Note 6 – Tangible Fixed Assets

(US\$000's)	Machinery & Equipment	Fixtures & Office Equipment	Total
Balance @ 31 Dec 09	-	2,108	2,108
Additions	1,787	370	2,157
Acquisitions	-	46	46
Depreciation	(55)	(687)	(742)
Foreign exchange differences	-	(80)	(80)
Balance @ 30 Jun 10	1,732	1,757	3,489

Note 7 – Analysis of Debt

(US\$000's)	<1 year	>1 year <5 years	>5 years
Accounts Payable	2,213	1,443	-
Deferred Revenue	775	-	-
Finance Lease Obligations	530	240	-
Deferred / Contingent Consideration on Purchase of ASB	408	681	-
Taxation - current & deferred	261	550	-
Other liabilities	5,835	291	-
Balance @ 30 Jun 10	9,995	3,205	-

Note 8 – Related Party Transactions

(US\$000's)	Joint Ventures	
	Spectrum Geopex	Geo Bridge Pte
Revenue to	32	-
Purchases from	260	-
Interest from	-	-
Amounts owed to	-	-
Amounts owed from	268	-



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