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Magseis ASA

(Business registration number 994 547 852)
(a public limited liability company incorporated under the laws of Norway)

Prospectus in connection with

Listing on Oslo Axess of 10,577,428 Private Placement Shares issued in the Private Placement

THE PRIVATE PLACEMENT SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

THE DISTRIBUTION OF THIS PROSPECTUS IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSESSION THIS PROSPECTUS COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS PROSPECTUS YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS.

SEE "RISK FACTORS" IN SECTION 2 FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SHARES.

Joint Lead Managers and Bookrunners

6 March 2018

IMPORTANT INFORMATION

The information contained in this prospectus ("Prospectus") has been prepared by Magseis ASA ("Magseis" or the "Company") in order to provide information in connection with the listing on Oslo Axess, a regulated market place operated by Oslo Børs ASA ("Oslo Børs" or the "Oslo Stock Exchange") of 10,577,428 shares (the "Tranche 2 Shares") in the Company issued in connection with Tranche 2 (as defined below) of the private placement announced on 25 January 2018 (the "Private Placement") at a subscription price of NOK 18, which were issued by the extraordinary general meeting of the Company held on 16 February 2018 (the "EGM"). The Private Placement Shares (as defined below) are, together with the ordinary shares of the Company, jointly referred to as the "Shares".

For the definitions of terms used throughout this Prospectus, see Section 18 "Definitions and glossary".

The Company has engaged ABG Sundal Collier ASA ("ABG Sundal Collier") and Arctic Securities AS ("Arctic Securities") as Joint Lead Managers and Bookrunners (together the "Joint Lead Managers") for the Private Placement.

Unless otherwise indicated or the context otherwise requires, all references in this Prospectus to "Magseis" or the "Company" are to Magseis ASA and all references to "Group" are to Magseis and its consolidated subsidiaries.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "Norwegian Securities Trading Act" or the "NSTA") and related secondary legislation, including the Commission Regulation EC/809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "EU Prospectus Directive"). The Prospectus has been prepared on the basis of the proportionate disclosure regime for SMEs and companies with reduced market capitalisation. The Prospectus has been prepared solely in the English language. This Prospectus has been reviewed and approved by the Financial Supervisory Authority of Norway (Nw.: Finanstilsynet) (the "Norwegian FSA") in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA is dated 6 March 2018 and only relates to the Company's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus.

The Company has furnished the information in this Prospectus. The Joint Lead Managers make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Lead Managers.

All inquiries relating to this Prospectus should be directed to the Company or the Joint Lead Managers. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Private Placement and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Joint Lead Managers or by any of the affiliates, advisers or selling agents of any of the foregoing.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice.

There may have been changes affecting the Group subsequent to the date of this Prospectus. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Prospectus will be published as a supplement to this Prospectus in accordance with section 7-15 of the Norwegian Securities Trading Act. Neither the delivery of this Prospectus nor the completion of the Private Placement at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs

since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

In the ordinary course of their respective business, the Joint Lead Managers and certain of their affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company. Without limiting the manner in which the Company may choose to make any public announcements, and subject to the Company's obligations under applicable law, announcements relating to the matters described in this Prospectus will be considered to have been made once they have been received by Oslo Børs and distributed through its information system.

Investing in the Company must be viewed as a high risk investment. Potential investors should carefully consider the risk factors set out in Section 2 "Risk Factors" in addition to the other information contained herein before making an investment decision. *An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.*

The contents of this Prospectus are not to be construed as legal, business or tax advice. Prospective investors should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

THE PRIVATE PLACEMENT SHARES ARE NOT, NOR ARE THEY EXPECTED TO BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAW.

THIS PROSPECTUS HAS NOT BEEN APPROVED OR REVIEWED BY THE US SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES. FOR CERTAIN SELLING AND TRANSFER RESTRICTIONS SEE SECTION 6 "NOTICE AND TRANSFER RESTRICTIONS".

The distribution of this Prospectus may be restricted by law in certain other jurisdictions. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Joint Lead Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

This Prospectus and the Private Placement as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo district court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus or the Private Placement.

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APPENDIX A ARTICLES OF ASSOCIATION OF MAGSEIS ASA

1 SUMMARY

The following summary of the information and consolidated financial and other data appearing elsewhere in this Prospectus is qualified in its entirety by such more detailed information set forth elsewhere herein and in the documents incorporated hereto by reference, see Section 15.2 "Incorporation by reference". This summary does not contain all of the information that may be important to potential investors and it should be read as an introduction to the Prospectus. Potential investors should review carefully the entire Prospectus, including the risk factors and the more detailed financial and other data included herein or incorporated hereto by reference, before making an investment decision (financial data is available on www.magseis.com).

Section A – Introduction and warnings		
A.1	**Introduction and warnings**	This summary should be read as an introduction to the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant European Union member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Resale and final placement by financial intermediates**	Not applicable. No consent is granted by the Company to the use of the Prospectus for subsequent resale or final placement of the Shares.
Section B – Issuer		
B.1	**Legal and commercial name**	Magseis ASA.
B.2	**Domicile and legal form, legislation and country**	Magseis ASA was incorporated in Norway on 4 September 2009 as a private limited liability company and was converted into a public limited liability company on 27 May 2014, and is governed by the Norwegian Public Limited Liability Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with business registration number 994 547 852. The Company's registered address is Dicks vei 10b, N-1366 Lysaker, Norway.
B.3	**Current operations principal activities**	The Company has developed a technology which allows an ocean bottom cable ("OBC") to be deployed in much greater lengths than what previously has been possible. Through this technology the Company aims to reduce the time required to conduct ocean bottom seismic ("OBS") surveys and consequently the costs. The Company works for leading oil and gas companies such as Chevron, Statoil and Petronas and with the Westcon Group as a partner, the Company is rapidly developing the organization in order to build an industry leading OBS company.
B.4	**Significant recent trends**	Magseis was in December 2017 awarded an extension to the on-going contract S-78 survey with BGP Arabia and Saudi Aramc to acquire further ocean bottom seismic data in the Red Sea. The new survey has an expected duration of more than seven months and will commence in January 2018. Further, Magseis has finalized a contract with an undisclosed client for a survey in the North Sea, with duration of approximately 2 weeks during the 2018 North Sea summer session. In addition, Magseis was in January 2018 awarded a smaller contract with the lease of its proprietary MASS nodes for a project in South East Asia. Magseis will

		mobilise a light handling system and fields technicians for the project. The contract will commence during Q1. On 22 February 2018 Magseis announced that the Company had signed a Letter of Intent (LOI) for a lease contract of its proprietary MASS nodes for a project in NE Asia. Magseis will mobilise a fully containersed handling system (MASS Modular) and field technicians for the project. The duration of the contract is estimated to approximately three months. The contract will commence during Q2.
B.5	**Description of Group**	The Company is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.
B.6	**Interests in the Company and voting rights**	Shareholders owning 5% or more of the Company's Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of 1 March 2018, and taken into account the Private Placement Shares, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5% or more of the issued share capital of the Company: Anfar Invest AS, Westcon Group AS, AS Clipper and Geo Innova AS. Each of the Company's Shares carries one vote. None of the major shareholders has different voting rights than the other shareholders in the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
B.7	**Selected historical key financial information**	The following selected financial information has been derived from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015 (the Financial Statements) and the Group's unaudited consolidated interim financial statements as of, and for the three months ended, 31 December 2017 and 2016 and for the full year ended 31 December 2017 (the Interim Financial Statements). The Financial Statements have been prepared in accordance with IFRS, while the Interim Financial Statements have been prepared in accordance with IAS 34. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Information incorporated by reference hereto, see Section 15.2 "Incorporation by reference".

In USD thousand	**Three months ended 31 December**		**Year ended 31 December**		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Selected statement of income					
Total revenue and other income	4,752	20,024	73,877	58,905	40,671
Total operating expenses	12,778	18,130	63,585	70,018	56,308
Operating profit (loss)	-8,025	1,894	10,292	-11.114	-15,637
Net finance costs	-684	-373	-397	-1,393	-434
Net profit (loss) before tax	-8,709	1,521	9.895	-12,507	-16,071
Net profit (loss)	-9,787	58	6.696	-16,695	-16,510
Total comprehensive income (loss) for the period	-9,787	58	6,696	-16,695	-16,510

In USD thousand	**As at 31 December**		
	2017 *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*

Selected statement of financial position			
Total non-current assets	74,416	48,574	51,766
Total currents assets	49,133	38,092	21,064
Total assets	123,549	86,665	72,830
Total equity attributable to equity holders of the Company	95,040	49,045	53,661
Total equity	95,040	49,045	53,661
Total non-current liabilities	13,049	15,139	6,293
Total current liabilities	15,460	22,481	12,876
Total liabilities	28,509	37,620	19,169
Total equity and liabilities	123,549	86,665	72,830

In USD thousand	**Three months ended 31 December**		**Year ended 31 December**		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Selected statement of cash flow					
Net cash from operating activities	2,380	8,637	24,157	-2,117	-3,625
Net cash used in investing activities	-17,485	-298	-44,557	-16,463	-15,856
Net cash from financing activities	-547	-2,836	31,201	26,120	9,325
Net change in cash and cash equivalents	-15,651	5,503	10,801	7,540	-10,156
Cash and cash equivalents at beginning of period	45,427	13,471	18,974	11,435	21,591
Cash and cash equivalents at end of period	29,776	18,974	29,776	18,974	11,435

B.8	**Selected pro forma financial information**	Not applicable. No pro forma financial information is included in this Prospectus.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate is included in this Prospectus.
B. 10	**Audit report qualifications**	Not applicable.
B. 11	**Sufficient working capital**	As of the date of this Prospectus, the Company is of the opinion that Magseis' working capital is sufficient for its present requirements and for at least the next twelve months.
C.1	**Type and class of securities admitted to trading and identification number**	The Company has issued only one class of shares. Each Share carries one vote and all Shares provide equal rights in the Company. The Company's Shares have been issued under the Norwegian Public Limited Companies Act and are registered with the VPS under the International Securities Identification Number ("ISIN") NO 0010663669, except for the Tranche 2 Shares issued in the Private Placement which are issued on a separate ISIN NO, ISIN NO 0010816499, and that will be transferred to the Company's ordinary ISIN upon publication of this Prospectus.
C.2	**Currency of issue**	The Shares are issued in NOK.
C.3	**Number of issued shares and par value**	At the date of this Prospectus, the Company's share capital is NOK 3,877,952.90, comprising of 77,559,058 Shares, each with a nominal value of NOK 0.05.
C.4	**Rights attaching to the shares**	All Shares provide equal rights in the Company in accordance with the Norwegian Public Limited Liability Companies Act and the Articles of Association of the Company. The holders of the Shares have certain

		preferential rights to subscribe for new Shares issued by the Company, which may be waived by a resolution supported by at least two-third of the attending Shares at the General Meeting. The holders of Shares have no pre-emptive rights inconnection with transfer of Shares.
C.5	**Restriction on transfer**	The Articles of Association do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors.
C.6	**Admission to trading**	The Company's Shares are listed on Oslo Axess. The Tranche 1 Shares were issued, registered in the VPS and listed on Oslo Axess without application on 1 February 2018 pursuant to an exemption from the obligation to publish a listing prospectus set out in Section 7-5 (1) of the Norwegian Securities Trading Act. The Tranche 2 Shares were issued on 21 February 2018 and registered in the VPS under a separate securities number pending the publication of this Prospectus. Following the publication of this Prospectus, the Tranche 2 Shares will be registered under the same ISIN as the Company's other Shares and become listed and tradable on Oslo Axess. The Private Placement Shares will not be sought admitted to trading on any other regulated market than Oslo Axess.
C.7	**Dividend policy**	The payment of dividends will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects, applicable restrictions on the payment of dividends under Norwegian law and other factors the Board may consider relevant. The Company has not paid any dividends since its incorporation.
Section D – Risks		
D.1	**Key risks relating to the issuer and its business**	*Risks relating to the business operations of the Group, including:* • The Group's performance can be affected by the ability to enter into new contracts on satisfactory terms and utilization of the Vessel. • Material damage to or total loss of the Vessel may have a material adverse effect on the Company's financial and future prospects. • Off-hire periods, upgrade and repairs of the Vessel may have a negative effect on revenues and earnings. • Current economic uncertainty and the volatility of oil and gas prices could have a material adverse effect on the Company's earnings, cash flow and financial position. • Commercial disagreements and disputes could affect the Company's business and profitability. • Disputes and litigation with third parties could result in a loss of revenue and/or have a material negative impact on the Company's overall financial position. • The Company is subject to competition in the markets where the Company carries out its operations, which could have a material adverse effect on the Company's operations, financial condition and future prospects. • Claims may be asserted against the Group for the violations of Intellectual Property Rights of third parties, and the allocation of resources to defend such claims and the outcome of such disputes may have material adverse effect on the operations, business and financial condition of the Company.

		• The Company is dependent on its key personnel and the failure to retain key personnel may have material adverse impact on the Company's operations and future prospects. • The Group is exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs. • The Group's business experience extreme weather and other hazardous conditions. • The Group's results of operations may be significantly affected by currency fluctuations. • The Group's ability to fund expansion and/or new equipment may be adversely impacted if the Group does not generate sufficient cash flow from operations or if it is unable to obtain financing on commercially reasonable terms. *Risks relating to financing, including* • The Group may not be able to obtain additional financing on satisfactory terms, or at all, which may significantly affect the Group's business.
D.3	**Key risks relating to the Securities**	*Risks relating to the Shares, including:* • The price of the shares may fluctuate significantly. • Future sales, or the possibility for future sales of substantial numbers of Shares may affect the market price of the Shares. • Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. • Pre-emptive rights may not be available to all holders of shares. • Investors may not be able to exercise their voting rights for shares registered in a nominee account. • Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway. • Norwegian law may limit shareholders' ability to bring an action against the Company. • The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions. • Shareholders outside of Norway are subject to exchange rate risk.
Section E – The Offer		
E.1	**Net proceeds and estimated expenses**	The transaction costs of the Company related to the Private Placement and the Subsequent Offering are estimated at approximately NOK 11.7 million, assuming the Subsequent Offering is fully subscribed, and accordingly the net proceeds of the Private Placement and the Subsequent Offering will be approximately NOK 288.3 million, assuming the Subsequent Offering will be fully subscribed. No expenses or taxes are charged to the Applicants in the Private Placement by the Company or the Joint Lead Managers.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds.**	The net proceeds from the Private Placement will be used to finance the Company's current growth plans. The net proceeds are estimated to NOK 289.9 million.

E.3	**A description of the terms and conditions of the offer.**	On 25 January 2018, the Company raised NOK 300 million in gross proceeds through a Private Placement of 16,666,667 Private Placement Shares, each with a nominal value of NOK 0.05 and a subscription price of NOK 18 per Private Placement Share. The Private Placement was directed towards existing shareholders, other Norwegian and international investors in each case comprised by an exemption from offer prospectus requirements and any other filing or registration requirements in the applicable jurisdictions and subject to other selling restrictions (except for the listing prospectus requirement). The Private Placement Shares were issued in two tranches with 6,089,239 Private Placement Shares (the Tranche 1 Shares) issued by the Board on 25 January 2018 pursuant to an authorisation granted by to the Board at the annual general meeting on 22 June 2017 and 10,557,428 Private Placement Shares (the Tranche 2 Shares) were issued pursuant to a resolution by the EGM on 16 February 2018.
E.4	**Material and conflicting interests.**	ABG Sundal Collier and Arctic Securities are acting as Joint Lead Managers and Bookrunners in connection with the Private Placement and will receive fees and commission in this regard. The Joint Lead Managers and their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Joint Lead Managers, their employees and any affiliate may currently own Shares in the Company. Beyond this, the Company is not aware of any interest of any natural or legal persons involved in the Private Placement that may have conflicting interest.
E.5	**Selling shareholders and lock-up agreements**	There are no selling shareholders in the Private Placement and no lockup on the Private Placement Shares.
E.6	**Dilution resulting from the Private Placement**	A total of 16,666,667 Private Placement Shares were issued in the Private Placement, resulting in a dilution of approximately 21.5% for existing shareholders who did not participate in the Private Placement.
E.7	**Estimated expenses charged to investor**	Not applicable. The expenses related to the Private Placement will be paid by the Company.

2 RISK FACTORS

Investing in Magseis must be viewed as a high-risk investment. An investment in the Shares involves inherent risks. An investor should consider carefully all information set forth in this Prospectus and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow, which may affect the ability of the Group to pay dividends and cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. Potential investors in Magseis are strongly recommended to carefully do their own assessment of the risk involved in an investment, before committing any capital. The information in this Section is as of the date of this Prospectus and is subject to change.

2.1 RISKS RELATING TO THE BUSINESS OPERATIONS OF THE GROUP

The Group's performance can be affected by the ability to enter into new contracts on satisfactory terms and utilization of the Vessel.

The Company's contract backlog after August 2018 is less certain and there is a risk that the Company will not be able to enter into new contracts in order to utilize the cable vessel (the "Vessel") or modular operation currently marketed by the Company and any new contracts may not be on terms satisfactory to the Company, all of which may have a negative effect on the Group's operations and financial position.

Material damage to or total loss of the Vessel may have a material adverse effect on the Company's financial and future prospects.

Currently, the Company only has access to the Vessel which is customized for the Company and which represents a large part of the Company's earning capacity. Should the Vessel suffer material damage, or should the Vessel be subject to a total loss, any alternative vessels or a reconstruction of the Vessel may not be available or possible, may only be available or possible against a financially unacceptable cost, or may only be available or possible sometime in the distant future. As a consequence, the operations of the Company may be suspended for a long time, which in turn would have a material adverse effect on the Group's financials and future prospects.

Off-hire periods, upgrade and repairs of the Vessel or the modular system may have a negative effect on revenues and earnings.

Going forward, the Company will from time to time incur upgrade and repair costs related to the Vessel or modular system (or any other vessel which may be leased or owned by the Company), and off-hire periods relating to steaming or other circumstances. Such off-hire periods, upgrades and repairs may have a negative effect on revenues and earnings, and may become more expensive and take longer to conclude than anticipated.

Current economic uncertainty and the volatility of oil and gas prices could have a material adverse effect on the Company's earnings, cash flow and financial position.

The Company's customers are and will continue to be involved in the offshore oil and gas industry, which is subject to volatile oil and gas prices. The prices of oil and gas are affected by a range of factors outside the control of the Company, including but not limited to:

- worldwide demand for natural gas and oil;
- the cost of exploring for, developing, producing, transporting and distributing oil and gas;

- expectations regarding future energy prices – for both oil and gas and other sources of energy;
- the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production and impact pricing;
- level of world-wide production;
- government laws and regulations, including environmental protection laws and regulations;
- the development and exploitation of alternative fuels, and the competitive, social and political position of oil and gas as a source of energy compared with other energy sources;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- the development and exploitation of alternative energy sources.

The current oil and gas prices have resulted in reduced activity level by oil and gas companies and it is expected that a situation with continued prices for oil and gas on current levels will lead to a further reduction, which will have a direct effect on the demand for the Company's services, which in turn could have a material adverse effect on the Company's earnings, cash flow and financial position.

The general economic situation in the market may have a negative effect on the Company's business, revenue, financial position and equity. The exact effects on the Company are very uncertain and not possible to describe in any precise manner as at the date of this Prospectus.

Commercial disagreements and disputes could affect the Company's business and profitability.

In the ordinary course of business the Company may from time to time be subject to contractual disputes, commercial disagreements etc. Contracts may give the customer both extension and early cancellation options. Moreover, in case of short mobilization periods, there is a risk of late delivery and hence the Company may become liable towards the customer. Furthermore, the quality of data produced by the self-developed OBS-system and the time-range agreed between the Company and its counterparts is highly dependent on weather conditions, water quality and other factors that are beyond the Company's control and may lead to negotiations and disputes with the counterparts. The Company cannot predict with certainty the outcome or effect of such matters and any disputes could result in management being required to spend time and resources on the dispute which should have been spent on the operations of the Company.

It should also be noted that contracts within the offshore sector are associated with considerable risks and responsibilities, including but not limited to health, safety and the environment. It may be that any liability following from such responsibilities are not claimable under any insurance policies of the Company, which could have a material adverse effect on the Company's financial position.

As announced on 10 February 2016, the Company has, together with its partner BGP, been awarded Saudi Aramco's S78 project for large-scale ocean bottom seismic acquisition in the Red Sea. The Saudi Aramco survey started with first shot in late July 2016. On 17 March 2017, it was announced that the Company, together with its partner BGP, has been awarded an extension to the ongoing contract with BGP Arabia and Saudi Aramco to acquire additional ocean bottom seismic data block in the Red Sea. A further extension to the same contract was announced on 5 December 2017, with commencement in January 2018 and for an expected duration of approximately seven months.

Disputes and litigation with third parties could result in a loss of revenue and/or have a material negative impact on the Company's overall financial position.

Magseis may become subject to disputes and litigation with its suppliers, contractors and other third parties. Such disputes could result in management being required to spend more time and resources

on the dispute and could further result in a loss of revenue and/or have a material negative impact on the overall financial position of Magseis.

The fair value of the Company's self-developed OBS-system may decrease and be subject to impairments which may affect the ability to raise new financing for future business and have a material adverse impact on the financial condition.

The fair value of the Company's self-developed seismic equipment may decrease or increase depending on a number of factors, including general economic conditions, oil and gas prices, supply and demand (competition), cost of new development etc. If the fair value of the Company's seismic equipment declines, the Company may have to recognize impairments. Future impairments may affect the Company's ability to raise new financing required for future business and in general have a material adverse impact on the Company' financial condition.

The Company is subject to competition in the markets where the Company carries out its operations, which could have a material adverse effect on the Company's operations, financial condition and future prospects.

The Company operates in a global business which is highly competitive. Many competitors of the Company have significantly greater resources compared to the resources of the Company. The market in which the Company operates is further subject to rapid and substantial technological change, and developments by others may render the technology and business models of the Company obsolete or non-competitive, which would have a material adverse effect on the Company's operations, financial condition and future prospects. It should be expected that competitors will continuously try to decrease the Company's competitive advantages.

Claims may be asserted against the Group for the violations of Intellectual Property Rights of third parties, and the allocation of resources to defend such claims and the outcome of such disputes may have material adverse effect on the operations, business and financial condition of the Company.

The Company has developed a patent portfolio which is important to the Company's operations and business. No assurances can be given that no third party claims that the patents (registered or pending) of the Company violate such third party's intellectual property rights. If such claims are made, the Company may have to allocate considerable resources to defend itself against such claim, which may have a material adverse effect on the operations, business and financial condition of the Company. Any adverse outcome of such disputes could also have a material adverse effect on the operations, business and financial condition of the Company.

The Company is dependent on its key personnel and the failure to retain key personnel may have material adverse impact on the Company's operations and future prospects.

The Company's success is dependent on the continued service and performance of its key personnel. The loss of service of any such personnel may have a material adverse impact on the Company's operations and future prospects.

The Company is subject to risks related to the Company's international operations that could harm the Company's business and results of operations.

The Company operates in different jurisdictions and in a regulated industry, and noncompliance with regulations could expose us to fines, penalties and other liabilities and negative consequences. Additionally, changes in laws or regulations in the jurisdictions in which the Company operates could cause to incur significant costs and expenses to comply with such laws or regulations.

The Company may operate in in different areas of the world the Company's business and results of operations are subject to various risks inherent in international operations. These risks include:

- risks of war, uprisings, riots, terrorism and civil disturbance, which can make it unsafe to continue operations, adversely affect both budgets and schedules and expose the Company to losses;
- risk of piracy, which may result in the delay or termination of customer contracts in affected areas;
- seizure, expropriation, nationalization or detention of assets, renegotiation or nullification of existing contracts;
- foreign exchange restrictions, import/export quotas, sanctions and other laws and policies affecting taxation, trade and investment;
- restrictions on currency repatriation or the imposition of new laws or regulations that preclude or restrict the conversion and free flow of currencies;
- unfavorable changes in tax or other laws, including the imposition of new laws or regulations that restrict operations or increase the cost of operations,;
- disruption or delay of licensing or leasing activities;
- work stoppages; and
- availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy, which limit the importation of qualified crew members or specialized equipment in areas where local resources are insufficient.

The Group is exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs.

Operating business in many jurisdictions requires that the Group and the Group's partners comply with the laws and regulations of various jurisdictions. In particular, the Group's operations are subject to anti-corruption laws and regulations, such as the Norwegian Criminal Code of 2005 ("Norwegian Criminal Code") and economic sanction programs, including, without limitation, those administered by the United Nations and European Union.

As a result of doing business in foreign countries, the Group is exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where the Group or the Group's partners operate. Some of the foreign locations in which the Group operates may lack a developed legal system and/or have high levels of corruption. The Group's continued expansion and development of joint venture relationships worldwide increase the risk of violations of Anti-Corruption Laws, or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on the Group's reputation and consequently on the Group's ability to win future business. The Group continues to focus on improving the anti-corruption routines, training and controls.

Changes to accounting rules or regulations may adversely affect the Group's financial position and results of operations.

The Group's annual audited consolidated financial information is prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), the Group's quarterly unaudited consolidated financial information is prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("IAS 34"). Changes to existing accounting rules or regulations may impact the Group's future profit and loss or cause the perception that the Group is more highly leveraged. In addition, new accounting rules or regulations and varying

interpretations of existing accounting rules or regulations may be adopted in the future and could adversely affect the Group's financial position and results of operations.

The Group's business experience extreme weather and other hazardous conditions.

The Group's operations may be exposed to extreme weather and other hazardous conditions and perils that are customary for marine operations, including capsizing, grounding, collision, interruption and damage or loss from severe weather conditions, fire, explosions and environmental contamination from spillage. Any of these risks could result in damage to or destruction of vessels or equipment, personal injury and property damage, suspension of operations or environmental damage. If any of these risks materialize, the Group's business could be interrupted and the Group could incur significant liabilities. In addition, many similar risks may result in curtailment or cancellation of, or delays in, exploration and production activities of the Group's customers, which could in turn adversely impact the Group's operations and financial condition.

The Group's results of operations may be significantly affected by currency fluctuations.

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group, Unites States dollar ("USD"). New tenders and contracts awarded with customers are usually in USD. However, due to significant fluctuations in the exchange rates between USD and other, main currencies, the Company faces currency risk related to sales and purchases as customers who do not have USD as their functional currency may find it difficult to offer prices in USD that are attractive to the Company. Fluctuations in the exchange rate of the USD could have a significant effect upon the Group's results of operations. The Group cannot predict the effect of future exchange rate fluctuations on the Group's operating results.

The Group's results of operations may be affected by fluctuations in fuel costs.

Fuel costs can vary significantly depending on the supply location, local regulations and the price per barrel of crude oil at a given time. Only a portion of this variation can be contractually charged to or negotiated with the client. The Group's inability to effective mitigate the impact of fluctuations in fuel costs could have a material adverse effect on the Group's business, financial condition and results of operations. If extending the fleet to two vessels, total fuel costs will increase.

The Group's ability to fund expansion and/or new equipment may be adversely impacted if the Group does not generate sufficient cash flow from operations or if it is unable to obtain financing on commercially reasonable terms.

Any expansion and investment by the Company related to increased number of crews, new vessels, new equipment or an increased number of employees may require separate financing. Such financing may not be available or only available at unattractive terms, in which case it may not be possible for the Company to carry out an expansion which otherwise would have been in the interest of the Company and beneficial for the shareholders.

The Group is subject to tax in many jurisdictions and the Group could be obligated to pay additional taxes in various jurisdictions.

The Company is subject to income tax in Norway and other jurisdictions around the world. The Company may face tax audits and investigations by both domestic and foreign tax authorities and the outcome of any audit could have negative impact on its operating and financial conditions.

Credit risk

Lack of payments from customers/clients may significantly and adversely impair the Group's liquidity. The concentration of the Group's customers in the energy industry may impact the Group's overall

exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions as well as by the general constraints on liquidity resulting from the recent decrease in the oil prices. The Group undertakes due consideration to the credit quality of its potential clients during contract negotiations to minimize the risk of payment delinquency, but no assurance can be given that the Group will be able to avoid this risk.

Liquidity risk

The Group is dependent on having access to long-term funding. There can be no assurance that the Group may not experience net cash flow shortfalls exceeding the Group's available funding sources nor can there be any assurance that the Group will be able to raise new equity, or arrange new borrowing facilities, on favorable terms and in amounts necessary to conduct its on-going and future operations, should this be required. The Group may not be able to secure new sources of liquidity or funding, should projected or actual liquidity fall below levels the Group requires. The factors giving rise to the Group's liquidity needs could also constrain the ability to replenish the liquidity of the Group. These same factors could also impact the ability of the Group's shareholders to provide it with liquidity, and there can be no assurance that the Group will be able to obtain additional shareholder funding. Failure to access necessary liquidity could require the Group to scale back its operations or could have other materially adverse consequences for its business and its ability to meet its obligations.

Foreign exchange risk

The Group's significant operations in foreign countries expose it to risks related to foreign currency movements. The Group will attempt to minimize these risks by implementing hedging arrangements as appropriate, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD, GBP and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market. Currency fluctuations of an investor's currency of reference relative to the USD may adversely affect the value of an investor's investments.

2.2 RISKS RELATING TO FINANCING

The Group may not be able to obtain additional financing on satisfactory terms, or at all, which may significantly affect the Group's business.

If the Company fails to renew or enter into a new contract or if the financial condition of the Company for any other reason becomes distressed, the Company may need to raise additional equity and/or debt financing to continue operations. No assurance can be given that the Company will succeed maintaining a comfortable cash reserve for future operations, and no assurances can be given that the Company will be able to raise additional new equity and/or debt financing on attractive terms, or at all.

Amendments of or failure to comply with covenants in financing arrangements may have a material adverse effect on the Group.

If members of the Group are unable to comply with covenants of current or future debt financing arrangements, there could be a default under such arrangements. If such default event should occur, the Group may not be in a position to repay in full all outstanding debt, or the Group may be unable to find alternative financing on favorable or acceptable terms.

2.3 RISK FACTORS RELATING TO THE SHARES

The price of the shares may fluctuate significantly

The trading price of the shares could fluctuate significantly in response to a number of factors beyond the Company's control, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the same industry as that of the Company. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company business and its operations, and these fluctuations may materially affect the price of the Shares.

Future sales, or the possibility for future sales of substantial numbers of Shares may affect the market price of the Shares.

The market price of the Shares could decline as a result of sales of a large number of Shares in the market after the date hereof or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and at a price that it deems appropriate.

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the date hereof, or the perception that such sales could occur, may materially and adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares

In the future, it is possible that the Company may decide to offer additional shares or other securities in order to finance new capital-intensive projects, or in connection with unanticipated liabilities or expenses or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of shares, as well as the earnings per share and the net asset value per share of the Company, and any offering by the Company could have a material adverse effect on the market price of the shares.

Pre-emptive rights may not be available to all holders of shares

Under Norwegian law, unless otherwise resolved at a General Meeting, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

Investors may not be able to exercise their voting rights for shares registered in a nominee account

Beneficial owners of the shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to the Company's General Meetings. The Company cannot guarantee that beneficial owners of the shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of their shares or otherwise vote for their shares in the manner desired by such beneficial owners.

Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway

The Company is incorporated under the laws of the Kingdom of Norway, and all of its current directors and executive officers reside outside the United States. Furthermore, all or substantially all of the Company's assets and all or substantially all of the assets of the Company's directors and executive officers are assumed to be located outside the United States. As a result, investors in the United States may be unable to effect service of process on the Company or its directors and executive officers or enforce judgments obtained in the United States courts against the Company or such persons in the United States, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. The Company has been advised by its Norwegian legal counsel that the United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any state securities laws in the United States or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 6 "Selling and Transfer Restrictions". In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

Shareholders outside of Norway are subject to exchange rate risk

The Shares are priced in Norwegian kroner ("NOK"), the lawful currency of Norway, and any future payments of dividends on the shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the shares or price received in connection with any sale of the Shares could be materially adversely affected.

Major Shareholders may exert significant influence

As at the date of this Prospectus, certain Shareholders, including, but not limited to, Westcon Group AS, Geo Innova AS, Anfar Invest AS, Gneis AS and Redback AS control a significant percentage of the share capital. A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other Shareholders.

Further, the interests of Shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.

3 RESPONSIBILITY FOR THE PROSPECTUS

The Board of Directors of Magseis ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 6 March 2018

The Board of Directors of Magseis ASA

Jan P. Grimnes

Chairman

Jan B. Gateman

Director and Senior Vice President

Bettina R. Bachmann

Non-executive Director

Jan M. Drange

Non-executive Director

Gro Gunleiksrud Haatvedt

Non-executive Director

4 GENERAL INFORMATION

4.1 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking" statements that reflect the Company's current views with respect to future events and financial and operational performance; including but not limited to, statements relating to the risk specific to the Company's business, future earnings, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Company's future business development and economic performance.

These forward-looking statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "anticipates", "believes", "estimate", "expects", "seeks to", "may", "might", "plan", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements appear in a number of places throughout this Prospectus; Sections 4, 5, 7, 8, 10, 12, 13 and 15, include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumption prove to be incorrect, the Company's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Shares.

These forward-looking statements speak only as of the date of this Prospectus. Except as required according to Section 7-15 of the Norwegian Securities Trading Act, the Company undertakes no obligation to publicly update or revise any forward looking statements, whether as result of new information, future events or otherwise, other than as required by law or regulation. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.2 PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

4.2.1 Financial information

The financial information contained in this Prospectus related to the Group has been derived from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015 (the "Financial Statements") and the Group's unaudited consolidated interim financial

statements as of, and for the three months ended, 31 December 2017 and 2016, and for the full year ended 31 December 2017 (the "Interim Financial Statements"). The Financial Statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU ("IFRS"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("IAS 34"). The Financial Statements have been audited by KPMG, as set forth in their auditor's report included therein.

The Financial Statements and the Interim Financial Statements are together referred to as the "Financial Information". The Financial Information is incorporated by reference to this Prospectus, see Section 15.2 "Incorporation by Reference". The Company presents the Financial Information in USD (presentation currency) rounded to the nearest thousands.

4.2.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 Other Information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "EUR" are to the lawful currency of the EU and all references to "U.S. dollar", "USD", or "$" are to the lawful currency of the United States of America.

In this Prospectus all references to "EU" are to the European Union and its Member States as of the date of this Prospectus; all references to "EEA" are to the European Economic Area and its member states as of the date of this Prospectus; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

5 THE PRIVATE PLACEMENT

5.1 THE PURPOSE OF THE PRIVATE PLACEMENT AND USE OF PROCEEDS

The Company decided to conduct the Private Placement in order to, and the net proceeds from the Private Placement is consequently intended to be used to, fund the current growth plans of the Group to ramp up capacity by building additional MASS nodes to meet market demand and improve operational efficiency and reduce the cost of OBS surveys. See Section 7 "Business overview", and especially Section 7.4 "Business strategy and vision", and Section 12.5.2 "Future commitments and plans" for further information).

On 26 January 2018, the Company announced a contemplated subsequent repair offering of up to 2,777,778 new shares in the Company at an offer price of NOK 18 per new share (which is the same price applicable to the subscription of the Private Placement Shares) in order to give shareholders in the Company who did not participate in the Private Placement the possibility to maintain their shareholding in the Company by subscribing for Shares at the same price as applicable to the Private Placement (the "Subsequent Offering"). On 16 February 2018, the EGM adopted the a resolution to grant the Board of Directors an authorisation to increase the Company's share capital with up to NOK 138,888.90 in connection with the Subsequent Offering.

On 26 February 2018, the Company announced that the Board had resolved not to proceed with the Subsequent Offering. The reason for such withdrawal was that since the completion of the Private Placement, the Company's shares had traded on Oslo Axess, with a sufficient trading volume, at a lower price than the offer price of NOK 18 per share and that the completion of a subsequent offering when the offer price is higher than the trading price is not in the interest of the Company or its shareholder, in particular where there has been sufficient trading volume during the same period to allow shareholders to mitigate the dilutive effects of the Private Placement. The Board was therefore of the view that the cancellation of the Subsequent Offering was in the best interest of the Company and its shareholders.

5.2 OVERVIEW OF THE PRIVATE PLACEMENT

On 25 January 2018, the Company announced a contemplated private placement of up to NOK 300 million. The Private Placement consisted of two separate tranches; one tranche ("Tranche 1") with up to 6,089,239 new shares in the Company (the "Tranche 1 Shares") and a second tranche ("Tranche 2") with the number of new shares in the Company (the "Tranche 2 Shares", and together with the Trance 1 Shares, the "Private Placement Shares") that corresponded to a total transaction size (both tranches) of up to NOK 300 million. The Private Placement was directed towards existing shareholders in the Company and other Norwegian and international investors in each case comprised by an exemption from offer prospectus requirements and any other filing or registration requirements in applicable jurisdictions and subject to other selling restrictions (except for the listing prospectus requirement) to participate in a book-building process in the Private Placement. On 26 January 2018, the Company completed such book-building process for the issuance of a total of 16,666,667 Private Placement Shares at a subscription price of NOK 18 per Private Placement Share, all subject to, inter alia, approval by the EGM. The subscription price was determined on the basis of an accelerated book-building process, and represented a discount of approximately 9% compared to closing price on 25 January 2018.

The Board allocated the Private Placement Shares to investors based on consultations with the Joint Lead Managers. The allocation principles, in accordance with normal practice for institutional placements, included criteria such as timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality, investment horizon and existing shareholding in the Company.

On 25 January 2018, the Board resolved to issue 6,089,239 Tranche 1 Shares in the Private Placement pursuant to an authorisation for share capital increase granted by the annual general meeting on 22 June 2017.

On 16 February 2018, the EGM resolved to issue 10,577,428 Tranche 2 Shares (being the remaining Private Placement Shares).

The Tranche 1 Shares were issued, registered in the VPS and listed on Oslo Axess without application on 1 February 2018 pursuant to an exemption from the obligation to publish a listing prospectus set out in Section 7-5 (1) of the Norwegian Securities Trading Act. The Tranche 2 Shares were issued on 21 February 2018 and registered in the VPS under a separate securities number pending the publication of this Prospectus. Following the publication of this Prospectus, the Tranche 2 Shares will be registered under the same ISIN as the Company's other Shares and become listed and tradable on Oslo Axess. See Section 5.4 "Issuance and listing of, and rights conferred by, the Private Placement Shares" below for further information regarding the issuance and listing of the Private Placement Shares.

In order to facilitate the Private Placement, it was considered necessary to set aside the existing shareholders' preferential rights to subscribe for and be allocated the Private Placement Shares.

The Board was of the opinion that the Private Placement would allow the Company to raise capital more quickly and, at a lower discount compared to a rights issue. Further, the Board was of the opinion that, in the current market situation, a private placement had a larger possibility of success compared to a rights issue.

5.3 RESOLUTIONS RELATING TO THE PRIVATE PLACEMENT AND THE ISSUE OF THE PRIVATE PLACEMENT SHARES

On 25 January 2018, the Board adopted the following resolution to issue the Tranche 1 Shares in the Private Placement (translated from Norwegian):

1. *The Company's share capital is increased by NOK 304,461.95 from NOK 3,044,619.55 to NOK 3,349,081.50 through the issuance of 6,089,239 new shares, each with a par value of NOK 0.05.*

   The stipulation of the share capital and the number of shares in section 4 of the Articles of Association are amended accordingly.

2. *The subscription price shall be NOK 18 per share, which implies gross proceeds of NOK 109,606,302.*

3. *Existing shareholders' pre-emptive rights to subscribe the new shares in accordance with section 10-4 first paragraph in the Norwegian Public Limited Liability Companies Act (the "NPLC") are set aside in accordance with section 10-5 of the NPLC.*

4. *The new shares shall be subscribed by the Company's managers in the Private Placement Arctic Securities AS and/or ABG Sundal Collier ASA on behalf of, and pursuant to proxies from, the investors set out in Appendix 1 to the Board minutes. Subscription shall be made on a separate subscription form.*

5. *The deadline to subscribe the new share is 5 February 2018.*

6. *The total subscription amount shall be paid to the Company's bank account designated for share issue purposes within one week following the expiry of the subscription period, or, in the event of an extension of the subscription period, within such later deadline as determined by the Board.*

7. *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Register of Business Enterprises.*

8. *The Company's costs associated with the placement, primarily linked to fees to financial and legal advisers as well as registration fees etc, are estimated to approximately NOK 3.6 million ex VAT.*

Further, on 16 February 2018, the EGM adopted the following resolution to issue the Tranche 2 Shares in the Private Placement (translated from Norwegian):

1. *The Company's share capital is increased by NOK 528,871.40 from NOK 3,349,081.50 to NOK 3,877,952.90 through the issuance of 10,577,428 new shares, each with a par value of NOK 0.05.*

   The stipulation of the share capital and the number of shares in section 4 of the Articles of Association are amended accordingly.

2. *The subscription price shall be NOK 18 per share.*

3. *Existing shareholders' pre-emptive rights to subscribe the new shares in accordance with section 10-4 first paragraph in the Norwegian Public Limited Liability Companies Act (the "NPLC") are set aside in accordance with section 10-5 of the NPLC.*

4. *The new shares shall be subscribed by the Company's managers in the Private Placement Arctic Securities AS and/or ABG Sundal Collier ASA on behalf of, and pursuant to proxies from, the investors participating in and being allocated shares by the Board in the Private Placement. Subscription shall be made on a separate subscription form.*

5. *The deadline to subscribe the new share is 23 February 2018. The Board is authorised to extend the deadline on one or several occasions, however no later than 1 March 2018.*

6. *The total subscription amount shall be paid to the Company's bank account designated for share issue purposes within one week following the expiry of the subscription period, or, in the event of an extension of the subscription period, within such later deadline as determined by the Board.*

7. *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Register of Business Enterprises.*

8. *The Company's costs associated with the placement, primarily linked to fees to financial and legal advisers as well as registration fees etc, are estimated to approximately NOK 6.3 million ex VAT.*

The percentage of immediate dilution resulting from the Private Placement for the Shareholders is approximately 21.5%.

5.4 ISSUANCE AND LISTING OF, AND RIGHTS CONFERRED BY, THE PRIVATE PLACEMENT SHARES

The Private Placement Shares were issued and registered with the Norwegian Register of Business Enterprises on 1 February 2018 (Tranche 1 Shares) and 21 February 2018 (Tranche 2 Shares), respectively.

The Private Placement Shares are created under the laws of Norway and issued in accordance with the Norwegian Public Limited Liability Act. The Private Placement Shares are denominated in NOK each with a nominal value of NOK 0.05 and are registered in book-entry form with the VPS.

The Tranche 1 Shares were issued, registered in the VPS and listed on Oslo Axess without application on 1 February 2018 pursuant to an exemption from the obligation to publish a listing prospectus set out in Section 7-5 (1) of the Norwegian Securities Trading Act. The Tranche 2 Shares were issued on 21 February 2018 and registered in the VPS under a separate securities number, ISIN NO 0010816499, pending the publication of this Prospectus. Following the publication of this Prospectus, the Tranche 2 Shares will be registered under the same ISIN as the Company's other Shares (i.e. ISIN NO 0010663669) and become listed and tradable on Oslo Axess.

The Private Placement Shares will not be sought admitted to trading on any other regulated market than Oslo Axess.

The Private Placement Shares rank *pari passu* in all respect with the Shares and carry full shareholder rights in the Company equal to the existing ordinary Shares of the Company, including the right to

dividend, from the time the share capital increases pertaining to the Private Placement were registered with the Norwegian Register of Business Enterprises (being 1 February 2018 for the Tranche 1 Shares and 21 February 2018 for the Tranche 2 Shares). For a description of rights attaching to Shares in the Company, see Section 13 "Share Capital and Shareholder Matters".

The table below sets out the disparity between the Offer Price and the effective cash cost to members of the administrative management and supervisory bodies or senior management the past year.

Name	Volume	Price (NOK/share)	Date	Disparity (NOK/Share)	Disparity %
Anders Farestveit	47,840	16.80	27.02.2017	1.20	6.67
Anders Farestveit	1,666,666	15.00	24.03.2017	3.00	16.67
Jan Pihl Grimnes	833,333	15.00	24.03.2017	3.00	16.67
Jan B. Gateman	666,666	15.00	24.03.2017	3.00	16.67
Mikkel Ektvedt	17,333	15.00	24.03.2017	3.00	16.67
Shell Technology Ventures[1]	899,205	15.00	24.03.2017	3.00	16.67
Mikkel Ektvedt	23,000	9.70	06.04.2017	8.30	46.11
Idar Horstad	17000	15.00	02.06.2017	3.00	16.67

1 Represented on the Board by Bettina Bachman.

5.5 SHARE CAPITAL FOLLOWING THE PRIVATE PLACEMENT

As of the date of this Prospectus, following the Private Placement, the Company's share capital is NOK 3,877,952.90, comprising of 77,559,058 Shares, each with a nominal value of NOK 0.05.

See Section 13.1 "Share Capital and Shareholder Matters" for a further description of the Company's share capital.

5.6 VPS REGISTRATION

The Company's Shares are registered in VPS under ISIN NO 0010663669.

The Company's VPS registrar is DNB Bank ASA, Registrars department, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

5.7 PROCEEDS AND COSTS

The transaction costs of the Company related to the Private Placement are estimated at approximately NOK 10.1 million, and accordingly the net proceeds of the Private Placement and the Subsequent Offering will be approximately NOK 289.9 million. No expenses or taxes are charged to the Applicants in the Private Placement by the Company or the Joint Lead Managers.

5.8 DILUTION

The Company had 60,892,391 Shares outstanding prior to the Private Placement. A total of 16,666,667 Private Placement Shares were issued in the Private Placement, resulting in a dilution of approximately 21.5% for existing shareholders who did not participate in the Private Placement.

5.9 MANAGERS AND ADVISORS

ABG Sundal Collier and Arctic Securities are acting as Joint Lead Managers and Bookrunners in the Private Placement.

Arntzen de Besche Advokatfirma AS is the Company's legal counsel in connection to the Private Placement.

5.10 JURISDICTION AND GOVERNING LAW

This Prospectus and the Private Placement shall be governed by and construed in accordance with, and the Private Placement Shares have been issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Private Placement shall be subject to the exclusive jurisdiction of Oslo District Court.

5.11 INTEREST OF NATURAL AND LEGAL PERSONS IN THE PRIVATE PLACEMENT

ABG Sundal Collier and Arctic Securities serve as Joint Lead Managers in connection with the Private Placement, and receives a success based fee and commission in this regard. The fee is a fixed percentage fee, calculated on the basis of the gross proceeds raised in the Private Placement.

The Joint Lead Managers and their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Joint Lead Managers, their employees and any affiliate may currently own Shares in the Company.

Beyond this, the Company is not aware of any interest of any natural or legal persons nor any conflicts of interest involved in the Private Placement.

5.12 APPLICATIONS IN THE PRIVATE PLACEMENT BY MAJOR SHAREHOLDERS, MANAGEMENT, SUPERVISORY, ADMINISTRATIVE BODIES AND PERSON/ENTITIES APPLYING FOR MORE THAN 5% OF THE PRIVATE PLACEMENT

The table below provides an overview of members of management, supervisory and administrative bodies that participated in the Private Placement and other persons/entities that subscribed for more than 5% of the Private Placement.

Investor	Shares subscribed	Share of offering (%)
Anders Farestveit (Board observer, through Anfar Invest AS)	166,666	1.00
Jan Pihl Grimnes (Chairman, through Redback AS)	500,000	3.00
Jan B. Gateman (SVP Research and Development and Board member)	41,666	0.25
Per Christian Grytnes (Acting CEO)	111,111	0.67
Mikkel Ektvedt (CFO, through Black Tusk AS)	25,000	0.15
Ivar Gimse (SVP Business Development, through Gneis AS)	5,555	0.03
Shell Technology Ventures (represented on the Board by Bettina Bachman)	657,211	3.94
Nina Midtlie (Group Financial Director)	2,000	0.01

6 BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.1 "Cautionary Note Regarding Forward-Looking Statements". This Section should be read in conjunction with the other parts of this Prospectus, in particular Section 2 "Risk Factors".

6.1 INCORPORATION, REGISTERED OFFICE AND REGISTRATION NUMBER

The Company's legal and commercial name is Magseis ASA. The Company is a public limited liability company (*Nw.: allmennaksjeselskap*) organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 4 September 2009 as a private limited liability company and converted into a public limited liability company on 27 May 2014. The Company is registered in the Norwegian Register of Business Enterprises with business registration number 994 547 852. The Company's registered address is Dicks vei 10b, N-1366 Lysaker, Norway. The Company's website is www.magseis.com and the Company's phone number is +47 23 36 80 20.

6.2 BUSINESS AND COMPANY OVERVIEW

Magseis is a Norwegian geophysical company founded in 2009 by Ivar Gimse and Jan B. Gateman. The management team and staff have significant experience within geology, geophysics as well as marine seismic operations. The Company has developed a proprietary system which significantly improves the efficiency of Ocean Bottom Seismic ("OBS") operations. OBS data is so-called 4C seismic data (four components comprising one hydrophone and three geophones) which is widely recognized as the highest quality seismic data available today. However, the adoption of OBS technology has been slow due to the significant costs related to seismic data acquisition and therefore it has primarily been used for smaller, field development surveys. This has started to change over the past few years as exploration and production companies, struggling with increasingly challenging geology, have started to apply the technology over much larger areas.

The Company has developed and commercialized a technology which allows an Ocean Bottom Cable ("OBC") to be deployed in much greater lengths than what has previously been possible. Through this technology Magseis reduces the time required to conduct OBS surveys and consequently the cost. The vision is that OBS costs can be reduced to a level where it becomes a widely used tool for not only field development but also for exploration.

During 2013 the Company established its first commercial-scale crew using the Marine Autonomous Seismic System ("MASS") technology which initially comprised 3,000 sensors integrated with a 75 km cable. This system was put into operation using a vessel converted for this purpose, the Artemis Athene, which is a seismic vessel that was rebuilt by its owner in the second half of 2013 to enable Magseis' operations. As part of the system, a fully-automated handling system was developed and installed on-board the vessel. This handling system uses well-established industrial robot technology to automate the handling of the cable and sensors as well as the extraction of the geophysical data collected.

During 2017 the Company introduced a system called MASS Modular. On the Company's vessel Artemis Athene, the node handling system (which is used to start and stop nodes, download data and troubleshoot nodes) is fit within several rooms and sections of the vessel, while the "Modular system" is a container-based node handling system. The modular system may either be placed on the deck of a vessel or it may be placed onshore, so it is more flexible than a system which is "permanently" built into a vessel. The modular system was commercialized for the survey the Company performed for ConocoPhillips in the summer of 2017.

The systems described above serves as the foundation for the Company's services which are to offer OBS acquisition services to oil and gas companies worldwide. During the period 2013-2017, the

Company has completed projects for Statoil, Talisman Energy, Hess, Lundin, Chevron, Petronas Conoco Phillips, BGP International and Saudi Aramco (ongoing).

Working for leading oil and gas companies the Company is continuously developing the organization in order to build an industry leading OBS company. The Company's vision is to re-shape the ocean bottom seismic market through development of the Group's proprietary MASS technology to enable large scale, efficient and cost effective OBS acquisition services. The Group has set an aspiring goal of significantly reducing the cost of OBS acquisition, and is courageously working towards this goal by investing in its people and in development of the latest node technology, geophysical and engineering solutions in order to meet the projected future need for seabed seismic. In order to fulfil its vision, the Company continues to produce nodes and operate an increasing number of nodes in single operations which improves operational efficiency and reduces the cost of OBS surveys.

6.3 HISTORY AND IMPORTANT EVENTS

From the incorporation in 2009 until late 2011 the Company's focus was related to technology development and testing of the MASS concept. During 2012 a series of consecutively larger MASS prototype systems were tested offshore together with potential clients. The results from these tests served as the foundation for the commercialization of the technology and towards the end of 2012 the Company entered into a contract with Siemens AS for the manufacture of a 3,000 unit MASS system.

In July 2013, Magseis signed a firm contract with Statoil for OBS acquisition on the Snøhvit and Albatross Fields (part of the Snøhvit development). During 2014-2015, the Company entered into contracts for further OBS work with Statoil, Talisman Energy, Hess Denmark, Lundin Petroleum, Chevron and Petronas. In February 2016, Magseis was, together with its partner BGP Arabia, awarded Saudi Aramco's S78 project in the Red Sea with an expected duration of 9 months + 1 year option. This project started during July 2016 and is still on-going. On 8 December 2016, the Company announced that it had been awarded a contract with ConocoPhillips for a four-dimensional ("4D") OBS survey in the North Sea during 2017 which required launching a second operation based on a MASS Modular system. On 17 March 2017, an extension of the Company's contract with BGP Arabia for conducting a survey for Saudi Aramco was confirmed, securing operations for the Artemis Athene crew for the majority of 2017.

During 2017 the Company raised NOK 339.75 million in new equity through the issue of 22,650,000 new shares in a private placement to finance the construction of equipment and additional resources required to increase the number of crews that the Company operates.

On 21 March 2017, it was announced that the Company had entered into a Letter of Intent with a large provider of offshore vessels regarding a potential charter of one of their vessels. Such agreement includes an option for the lease of certain seismic equipment. The potential equipment financing will be considered by the Board in its evaluation of alternatives and announcement on the preferred financing strategy will be made in due course.

On 24 May 2017, the Company signed an exclusive technology agreement with Seismic Apparition GmbH, whereby the parties agreed to jointly develop and implement a new innovative technology that will reduce the acquisition time for Ocean Bottom Seismic surveys. A successful field trial was conducted during August 2017, and further commercial field tests are expected during 2018.

In November 2017 Magseis announced that it was in the process of finalizing a contract with an undisclosed client for the provision of a 4D seabed seismic acquisition survey in the North Sea using the Company's proprietary MASS Modular system. The duration of the contract is estimated to approximately 2 weeks and it will commence during the 2018 North Sea summer session. The contract was signed in January 2018.

In December 2017 it was announced that the Company had, together with its partner BGP, been awarded an extension to the on-going contract between BGP Arabia and Saudi Aramco to acquire

further ocean bottom seismic data in the Red Sea. The new survey has an expected duration of more than seven months and commenced during January 2018.

In January 2018 Magseis was awarded a smaller contract for the lease of its proprietary MASS nodes for a project in South East Asia. Magseis will mobilise a light node handling system and field technicians for the project. The contract will commence during Q1.

On 22 February 2018 Magseis announced that the Company had signed a Letter of Intent (LOI) for a lease contract of its proprietary MASS nodes for a project in NE Asia. Magseis will mobilise a fully containersed handling system (MASS Modular) and field technicians for the project. The duration of the contract is estimated to approximately three months. The contract will commence during Q2.

The most significant milestones in the development of the Company are summarized below.

Year	Significant events
2009	• Ivar Gimse and Jan B. Gateman establish Magseis.
2011	• Successful test of first prototype of MASS-system.
2012	• Raised NOK 332 million in new equity. • Signed a Letter of Intent with Statoil. • Entered into a strategic cooperation with Westcon Group.
2013	• Signed the first OBS acquisition contract with Statoil. • Signed a Time Charter contract for Artemis Athene. • Started operation in Q4 for Statoil. • Entered into a frame agreement to provide global OBS acquisition services for Statoil during the period from 2014 – 2018.
2014	• Entered into contract with Talisman Energy for OBS work on the Varg field. • Raised NOK 120 million in new equity to expand capacity and listed shares on Oslo Axess. • Signed USD 4 million convertible loan agreement with Shell Technology Ventures ("STV"), subsequently converted into Magseis shares by STV. • Completed OBS survey for Hess Denmark on South Arne field and initial Multi-Client OBS survey for Statoil and Lundin Petroleum.
2015	• Conducted OBS pilot study for Saudi Aramco in the Red Sea. • Raised NOK 58 million in new equity to finance further capacity growth. • Completed OBS work for Chevron on the Captain Field comprising combination of deployment with cable and ROV. • Entered into agreement with Shell Global Solutions International for further joint development of system to deploy MASS in ultra-deep water. • Conducted a well-funded multi-client campaign in the Barents Sea. • Awarded letter of award by Petronas for OBS survey on Bokor Field in Malaysia to be completed within Q2 2016.
2016	• Signed contract for OBS work with BGP Arabia (for a contract with Saudi Aramco) expected to commence in Q3 2016. • Raised NOK 100 million in new equity in a private placement and subsequent offering to finance additional equipment and preparations needed for the BGP Arabia contract. • Entered into a secured equipment loan facility of USD 4.4 million from Export Credit Norway. • Entered into additional secured debt financing from Innovation Norway in the amount of USD 4.9 million. • Awarded contract from ConocoPhillips for a full azimuth 4D seabed seismic acquisition survey

Year	Significant events
	in the North Sea using the company's proprietary MASS technology and enabling the introduction of the Company's new Modular system. The survey was conducted during Q2 and Q3 2017.
2017	• Raised NOK 339.75 million in new equity in a private placement to finance the construction of equipment and additional resources required to increase the number of crews that the Company operates and for general corporate purposes. • An extension of the Company's contract with BGP Arabia for conducting a survey for Saudi Aramco was confirmed, expected duration of 6-7 months and to commence in April 2017. • Entered into a Letter of Intent for charter of vessel and lease of equipment with a large provider of offshore vessels. • Enter into an exclusive licencing agreement with Seismic Apparition for the use of their Source Isolation technology within OBS. • Awarded an extension to the on-going S-78 project in the Red Sea with an estimated duration of more than 7 months.
2018	• Raised NOK 300 million in new equity in the Private Placement to provide funding for the current growth plans of the Company. • Signed a contract for provision of an approximately 2 weeks 4D seabed seismic acquisition survey in the North Sea during the 2018 summer session. • Awarded a smaller contract for the lease of its proprietary MASS nodes for a project in South East Asia. • Signed a Letter of Intent for a lease contract of its proprietary MASS nodes for a project in NE Asia.

See Section 8.2.3 "Projected global E&P spending" for further comments related to how the Company has been affected by the decreasing oil price and lower spending levels.

6.4 BUSINESS STRATEGY AND VISION

Magseis was developed on the premise that while OBS provides the highest quality seismic data available today, the adoption has been slow due to the significant costs related to acquisition. For this reason it has historically been used for smaller, field development surveys but recent years' growth rates suggest that E&P companies are starting to apply the technology over much larger areas as they struggle with increasingly challenging geology in a high cost environment.

To address this, the Company set out to develop a system that was based on individual, autonomous sensor capsules that were small enough to still be integrated in a steel cable. By doing so the system would not be prone to the same technical downtime rates as the serially connected sensors in existing electrical systems while still enjoying the advantages in terms of deployment and recovery that cable based systems have over deep-water node systems.

The key characteristic of the MASS system is the small footprint which allows for a large amount of equipment to be placed on-board one vessel or a large number of nodes to be efficiently handled by an ROV. Given the autonomous nature of the sensors this means that the Company is able to deploy an OBC in much greater lengths or numbers than what has previously been possible. This, combined with the introduction of multi-vessel operations enables significantly more efficient survey operations. By doing so the Company reduces the amount of time required to conduct an OBS survey which again results in a lower cost for the Company's clients.

Magseis' vision is that by developing node deployment systems that can either operate greater length of OBS cable or faster ROV operations, the Company will be able to bring about improvement of operational efficiency and significant cost reduction for its clients. These super-operations will be

combined with the Company's Modular node handling systems which allow for a shorter mobilisation, more vessel agnostic approach and which open up a market to lease out the Company's technology to strategic partners. When combined with advances within seismic source technologies such as the technology developed by Seismic Apparition, Magseis believes OBS costs can be reduced to a level where it becomes a widely used tool for not only for production monitoring and field development but also for exploration.

In accordance with its growth plans, the Company is currently ramping up capacity to meet market demand. By end of Q1 2018, the Company will complete the building of 6,000 MASS nodes to get to a total of 14,000 MASS nodes, and components are being secured to reach a total of 20,000 MASS nodes by end of 2018.

6.5 TECHNOLOGY AND SERVICES

6.5.1 Technology

The Company has developed its own OBS acquisition system based on the principles of small, autonomous sensor capsules that can be integrated in an optimized steel cable and which can be deployed and recovered at high speed and in much larger quantities than existing equipment in the market (the MASS system).

The sensor capsules have been designed as autonomous units where each capsule contains, hydrophone, geophones, batteries and electronics with dedicated software all of which is assembled inside a watertight, duplex-steel casing.

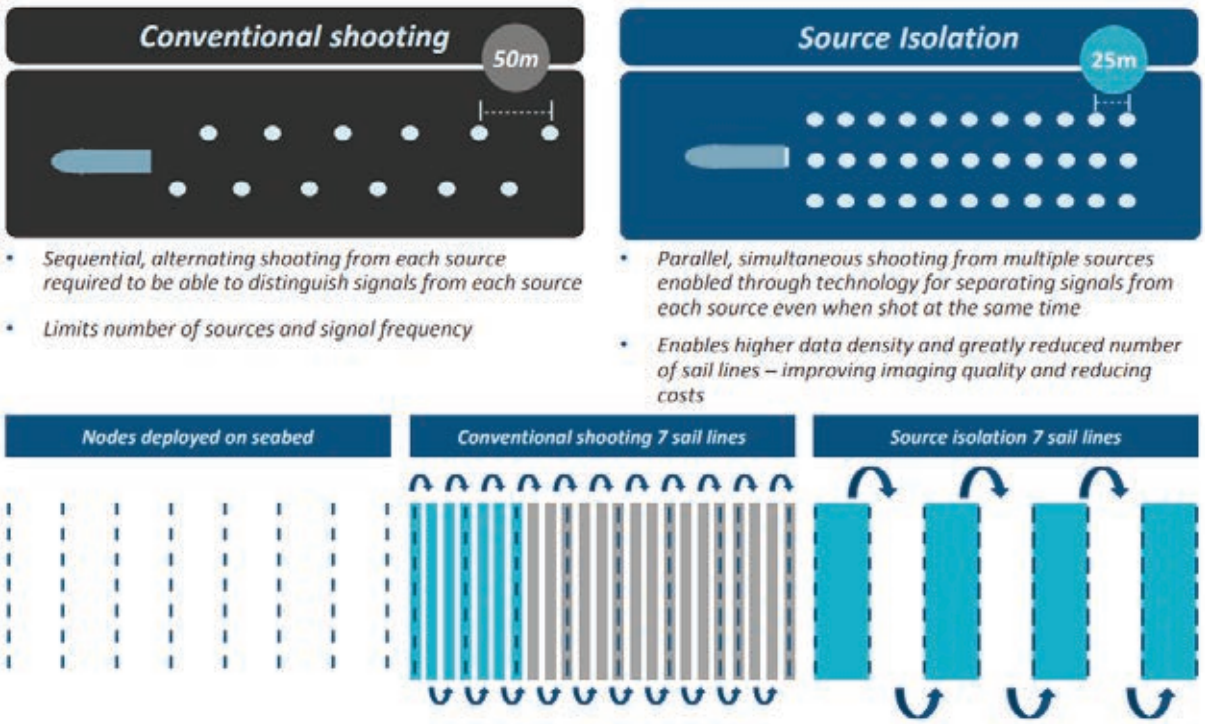
Magseis is working closely with Siemens AS and Berget AS as its main manufacturing partner for the MASS sensor capsules. Siemens AS and Berget AS are responsible for the assembly of the units with parts provided by various suppliers.

MASS sensor capsule:	Key specifications:
	• Battery life: 65-75 days Recording: Full 32 bit • Time: < 0.1ms over 15 days (uncorrected) • Water depth: Depth rated to 3,000 meters

On-board the vessel the sensor capsules are handled by a fully-automated system based on well-established industrial robot technology as well as in-house developed software. The system has been designed to handle large numbers of sensor capsules in a safe and efficient manner while also reducing the amount of manual labour required. Long-term the target is to enable deployment and recovery speeds of up to 3 knots.

Control system interface	Part of handling system
	

The main focus of the R&D efforts in Magseis has traditionally been related to operational efficiency and cost reduction of surveys by addressing the nodes, i.e. the receiver side of a survey. Efficient shooting and source handling is the other part of the equation, and to make significant advances in this domain, Magseis has entered into a 5 year license and service agreement with Seismic Apparition GmbH which is exclusive for the ocean bottom seismic industry. The technology called Source Isolation™ allows for simultaneous shooting of multiple sources on one source vessel, and the recorded signals are separated after the nodes have been recovered from the seabed and the data is downloaded. The technology allows for both denser shot spacing and reduced sail lines for the source vessel, hence a dramatic reduction in source time and cost. The Company and Seismic Apparition GmbH are currently working to commercialize the Source Isolation™ technology. When it is commercial, the Company's 5 year exclusivity period for Ocean Bottom Seismic starts. During the 5 year period, the license fee depends on the revenues generated by the technology, but Seismic Apparition GmbH is guaranteed a minimum yearly revenue. Seismic Apparition GmbH will provide operational support to the Company. The technology may be developed further to improve efficiency or functionality, and such enhancements will be covered by separate agreements.



6.5.2 Services

Magseis' business model is to deliver OBS acquisition services to oil and gas companies on a world-wide basis, but with a focus on important offshore regions such as the North Sea, Middle East, Gulf of Mexico, Brazil, West Africa and Southeast Asia. Each contract for OBS acquisition is normally entered into with the client. The contracts are negotiated and priced on a project by project basis and typically on a lump-sum basis. Contracts typically comprise payment terms whereby the total payment is split up into instalments received both prior to, during and after surveys are performed by the Company. Pricing will vary based on the prevailing market conditions and requirements for each individual project. Pricing and costs are constantly evolving. See information regarding material contracts in Section 7.11 "Material Contracts".

The Company's MASS technology enables the Company to provide high quality OBS data at a lower cost compared with existing competing technologies[1]. Due to the small size, light weight and battery capacity of each sensor, Magseis has been able to overcome many of the challenges that other competing technologies are facing. For further information regarding the differences between the MASS technology and other technologies, see Section 8.2.2 "Ocean-bottom seismic (OBS) technologies". Working with its clients Magseis provides survey design and planning as well as offshore acquisition services. Magseis does not deliver the subsequent data processing and interpretation services which are often conducted by third parties selected by the clients themselves.

The Company has now operated successfully for more than four years using the vessel Artemis Athene which was upgraded by its owner Artemis Athene AS (a part of the Westcon Group) specifically to enable Magseis' operations. Currently the Artemis Athene operates a MASS cable inventory of up to 350km with 4,500 sensor capsules. The vessel Artemis Athene has maintained a strong average utilisation of 83% since Q4 2013.

Artemis Athene	Key specifications
	• Year built: 1991 (major upgrade 2001 and 2013) • L.O.A / Width: 92m / 18m • DP class: DP2

In addition, the Company operates Modular systems that comprise containerised handling systems that can be mobilised on vessels of opportunity or operated from onshore bases. Initially the Company has constructed one such system which was used on the ConocoPhillips 4D survey during the summer of 2017. However, the Modular system is highly flexible and can easily be scaled down and adapted to enable several, smaller surveys to be conducted simultaneously with limited additional investments.

6.6 RESEARCH AND DEVELOPMENT

Research and development ("R&D") is an integral part of Magseis' development. The Company has invested significant resources into developing its own seabed seismic system (the MASS system) and will continue to invest in order to further develop the technology in order to reduce power

[1] The sources of such statements are generally publicly available information published by Magseis and other participants within the OBS segment.

consumption, reduce footprint and increase the efficiency. R&D activity is conducted across all three offices (Oslo, Bergen and Stockholm) using a combination of full time employees as well as consultants engaged on long-term contracts.

The MASS technology serves as the foundation for expansion into many related business areas and the Company is working closely with clients to develop technology that will further improve the efficiency of the system and create new business opportunities in related segments.

Magseis is currently working together with Shell for development of a system to deploy the MASS technology in ultra-deep water with great precision. The project is financed by Shell and Magseis with a significant contribution from Innovation Norway. The funding from Shell accumulated to USD 7.2 million as of year-end 2017, and is received as a reimbursement of all operational expenses and recognised as a finance arrangement in the financial statements where it is recorded as a liability to reflect an agreed royalty scheme to repay the funding once the project has been commercialized. The royalty scheme ensures that Shell will receive its original investment back plus an agreed return upon that investment. If the project for some reason is not commercialized then there will be no royalty payments due and the liability will be reversed. The finalisation of the project has been delayed as the parties work together to identify commercial opportunities on which to conduct a full-scale field trial.

See Section 12.5.1 "Principal investments" for research and development costs incurred in the period covered by the historic financial information.

6.7 PATENTS AND LICENSES

As of the date of this Prospectus, the Company holds 30 patents granted under the laws of various jurisdictions, including in Norway, USA, Nigeria, Australia, Mexico, UK, China and Indonesia.

Magseis creates its own proprietary technology, and has developed an IP strategy for IP protection and IP value creation. As part of this, Magseis is building a patent portfolio designed to prevent third party technology abuse, and ensuring freedom to operate.

In general, Magseis seeks patent protection in the relevant product markets, such as the EU, the US, Mexico, and Angola. Magseis is continuously monitoring patent activity within its technology area in order to reduce the risk of infringement on third party patent.

Patents have so far been applied for in relation to 8 separate inventions, including an OBC system, an ultra-deep water node deployer, a node calibration solution, a system for loading sensor capsules, a system for handling sensor capsules, and a storing and control unit for node equipment. Patents have been granted in Norway, USA, Nigeria, Australia, Mexico, UK, China, Denmark and Indonesia for the Magseis OBC system. Of the seven other patents, all are granted in Norway and in addition two have been granted in USA and two in the UK. A number of national applications are pending for these seven patents.

Magseis has also obtained legal protection for the visual characteristics of its seismic node and its sensor capsule, by registering the design of these products in Norway. Design patent has also been granted in the US.

Patent overview (including application pending):

Description	Filing date	Issue date	Country
Ocean Bottom Cable system application	07.05.2010	27.12.2011	Norway/USA/ Nigeria/Australia/ Mexico/UK/ Indonesia/China/Denmark/Eurasia/Malaysia (5 pending: Angola/Brazil/Canada/ EP/ India)
Seismic sensor capsule	16.08.2012	21.09.2015	Norway/USA/Mexico/Australia/Denmark/ China

Description	Filing date	Issue date	Country
calibration system			(10 pending: Angola/ Brazil/Canada/Nigeria/ Malaysia/Eurasia/EP/ UK/Indonesia/India)
System for loading of seismic sensor capsules	27.11.2012	02.03.2015	Norway/USA/China/Australia (10 pending: Angola/Brazil/Mexico/Nigeria/ Canada/Malaysia/Eurasia/EP/ Indonesia/India)
System for handling of seismic sensor capsules	15.05.2013	16.03.2015	Norway (7 pending: USA/UK/Mexico/Brazil/ Angola/Malaysia/ Indonesia)
Storage and control unit for seismic sensor capsules	06.08.2013	23.02.2015	Norway/UK (3 pending: USA/Mexico/Brazil)
System for seismic sensor capsule deployment	06.09.2013	27.04.2015	Norway/USA (2 pending: Mexico/Brazil)
System for cleaning of sensor capsules	11.12.2013	27.04.2015	Norway/UK/USA (5 pending: Mexico/Brazil/ Angola/Malaysia/ Indonesia/USA)
System for seismic sensor capsule deployment	24.10.2014	25.07.2016	Norway (PCT pending)

The patents are valid for up to 20 years from filing; however, they may be extended.

In order to shoot seismic in the world, either the client or the Company need to acquire and hold sufficient licenses in order to collect data.

As mentioned in Section 7.5.1 "Technology", the Company has a license and service agreement with Seismic Apparition GmbH for their proprietary and patented Source Isolation™ technology. The agreement is valid for 5 years from being commercialized, and it is exclusive for ocean bottom seismic.

6.8 ORGANIZATION

Magseis conducts its operations from three different locations. As of 31 December 2017, the Company had a total of 127 employees full time (of which 13 were temporary employed) and 11.4 contractors. The Company's head office in Oslo is an operative office.

	Main function	Number of employees 31/12/2017
Oslo, Norway	Head Office	49(3)*
Bergen, Norway	Operations Office	12(1)*
Stockholm, Sweden	Technology Office	2(8)
Singapore		2
Houston		1
Field Engineers		5***
Offshore		56**
Total**		**127**

Number of employees includes temporary employees

*(x) is number of contractors

** of which 8 are temporary

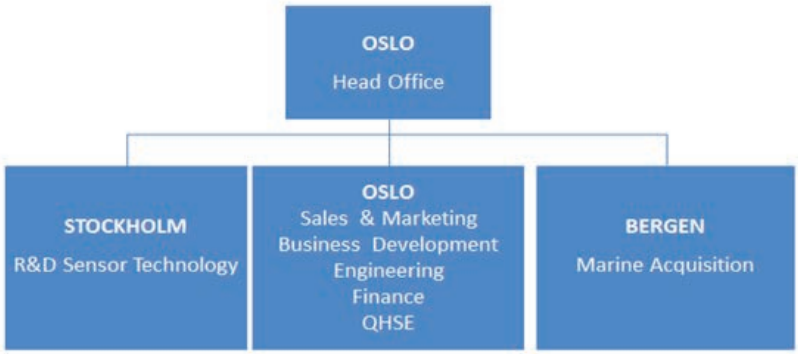
*** of which 1 is temporary

**** plus 11,4 contractors

The Company employs a broad mix of competencies including inter-alia geophysical, engineering, marine operations, manufacturing, sales and marketing, information technology, human resources, accounting and finance.

The organizational structure is set out in the chart below:

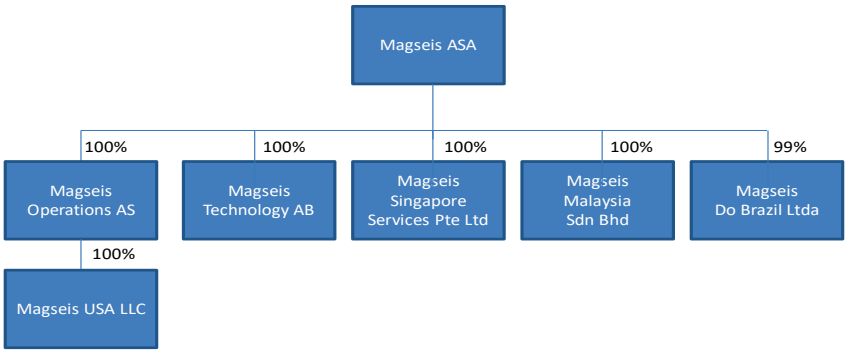
Organizational structure



6.9 LEGAL STRUCTURE

The Company's legal structure is set out in the chart below:

Legal structure



The following table sets out information about the entities in which the Company, as of the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included).

Name	Country of incorporation	Registered office	Holding	Main business
Magseis Operations AS	Norway	Lysaker	100%	Geophysical services
Magseis Technology AB	Sweden	Kista	100%	Product development
Magseis Singapore Pte Ltd	Singapore	Singapore	100%	Geophysical services
Magseis Malaysia Sdn Bhd	Malaysia	Kuala Lumpur	100%	Geophysical services
Magseis Do Brazil Ltda	Brazil	Rio De Janeiro	99%	Geophysical services
Mageseis USA LLC	USA - Texas	Austin, Texas	100%	Geophysical services, business development

6.10 FIXED ASSETS AND EQUIPMENT

Fixed assets comprise mainly of a MASS cable inventory of more than 8,000 nodes, the handling system onboard Artemis Athene together with 350km of cable and the MASS Modular handling system. The Company had per 30 September 2017 invested a total of USD 88.0 million in cable, sensors and handling equipment related to the MASS system. For further details regarding investments see Section 12.5 "Investments".

In addition to the equipment related to the MASS system the Company has entered into a long term lease with Artemis Athene AS (a part of the Westcon Group) for the vessel Artemis Athene which expires on 31 December 2018 and the winch package related to this vessel. The winch package is treated as a finance lease in the accounts and is shown as an asset and a liability in the financial statements. The Company does not have the legal ownership of this equipment.

The Company rents its offices in Oslo, Stockholm and Bergen. The annual leases in Oslo, Stockholm and Bergen amount to USD 0.6 million.

The Company is not aware of any environmental issues that may affect the utilization of the tangible fixed assets.

6.11 MATERIAL CONTRACTS

As of the date of this Prospectus, neither the Company nor its subsidiaries has entered into any material contracts outside the ordinary course of business during the last two years. Below is a summary of the material contracts entered into by the Company in its ordinary course of business.

On 1 October 2013 the Company and Westcon (West Contractors AS) entered into a five year time charter party with extension option for the vessel Artemis Athene at a daily charter rate of USD 47,000. As part of the agreement, Westcon purchased seismic equipment (at a value of NOK 25 million) from the Company that is permanently installed on the vessel and leases this equipment back to the Company over five years at a daily rate of USD 3,000.

For further details regarding the lease for Artemis Athene see Section 11.

During 2014 the Company entered into two separate agreements with Siemens AS for the production of up to 2400 additional sensors to be delivered during 2014 and 2015. In April 2016 the Company entered into a new contract with Siemens AS for the delivery of equipment relating to the survey for BGP and Saudi Aramco (comprising conversion of existing sensors as well as new sensor parts).

On 10 February 2016 it was announced that the Company has, together with its partner BGP, been awarded Saudi Aramco's S78 project for large-scale ocean bottom seismic acquisition in the Red Sea. The project had an expected duration of 9 months and a 12 month extension option. The Company announced on 1 August 2016 that operations commenced following a period of preparation and testing. The survey features complicated surface and geological conditions with a combination of deep

and shallow marine work. On 17 March 2017, it was announced that the Company had, together with its partner BGP, been awarded an extension to the ongoing contract with BGP Arabia and Saudi Aramco to acquire additional ocean bottom seismic data block in the Red Sea. The project had an expected duration of 6-7 months and was expected to commence during April 2017.

During the third quarter of 2016 the Company entered into secured loan agreements with Export Credit Norway and Innovation Norway in an aggregate amount of USD 9.3 million.

On 8 December 2016, it was announced that the Company has been awarded a contract from ConocoPhillips for a full azimuth 4D seabed seismic acquisition survey in the North Sea using the company's proprietary MASS system. Magseis mobilised a second, Modular system for the project. The duration of the contract was estimated at approximately 3 months inclusive of mobilisation and was conducted during Q2/Q3 2017.

During January 2017 the Company entered into an agreement with Siemens AS for the production of up to 2500 additional sensors to be delivered during Q2 2017 for the new Modular system.

On 21 March 2017, it was announced that the Company had entered into a letter of intent with a large provider of offshore vessels regarding a potential charter of one of their vessels, which includes an option for the lease of certain seismic equipment.

On 18 April 2017, the Company entered into an agreement with Seismic Apparition GmbH for the joint development, commercialisation and operation of a source isolation technology for use in the ocean bottom seismic acquisition industry (see Section 7.5.1 for further details).

On 5 December 2017, it was announced that the Company had, together with its partner BGP, been awarded an extension to the on-going contract between BGP Arabia and Saudi Aramco to acquire further ocean bottom seismic data in the Red Sea. The new survey has an expected duration of more than seven months and has commenced in January 2018.

The Company has developed and owns its own intellectual property and as such is not reliant on the intellectual property of any third parties to conduct its activities. However, the Company has a well-defined patent strategy designed to ensure the freedom to operate its technology in various key regions as well as to prevent others from copying the technology. A joint development agreement has also been entered into with Shell Global Solutions International B.V. as further described in Section 7.6 "Research and development".

Currently the Company has one vessel and one Modular system in operation. This means that the Company is dependent on the commercial contracts related to those systems to generate revenues both with respect to the performance in order to be able to operate as well as the performance under the client acquisition contracts in order to generate revenues.

On 26 January 2018, the Company announced that it had successfully raised NOK 300 million from a new equity issue of 16,666,667 shares of which 6,089,239 shares would be issued under the existing authorisation granted by the 2017 AGM and 10,577,428 shares would be issued by the EGM on 16 February 2018.

6.12 Legal proceedings

None of the companies in the Group are, or have been during the 12 months preceding the date of this Prospectus, party to, or the subject of, any legal or arbitration proceedings including any such proceedings which are pending or threatened of which the issuer is aware which may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability. None of the companies in the Group is aware of any such legal or arbitration proceedings being threatening.

7 MARKET OVERVIEW

The following information appearing under this Section 8 of the Prospectus contains information sourced from third parties. The Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

7.1 GENERAL MARINE SEISMIC INDUSTRY OVERVIEW

Since the first half of the 20th Century oil & gas companies have sought to minimize the risk of exploration, development and production from both onshore and offshore reservoirs through acquisition and interpretation of seismic data – subsurface imaging. For offshore applications, seismic data is recorded through listening devices, which are either towed behind a streamer vessel or placed directly on the seabed. These methods are called streamer seismic and ocean-bottom seismic (OBS). Both methods measure the time echo vibrations take from a source to a sensor.

In water the source of the echo is a series of shots from air guns, which is reflected by the different subsurface layers and reflected back up to the sensor. Through advanced mathematical interpretation of the duration and strength of the different waves of echoes, imaging of the subsurface is made possible. The oil & gas companies use this information to optimize their decisions whether or not to drill, and the exact location of wells to be drilled. Furthermore, the seismic information depicting the fracture patterns, lithology (species of stones), structures and fluid content of subsurface horizons, may be used by engineers in their decisions on drilling and completion methods, and decisions on overall production for the entire life-cycle of the reservoir.

7.2 HISTORICAL DEVELOPMENT

In the recent decades the technological and methodical development of the seismic industry has enabled a series of nuances in the different applications of seismic activities. The differences range from plain two-dimensional ("2D") exploration with a single streamer using hydrophones, to reservoir fluid migration surveillance over time using stationary ocean-bottom sensors with three orthogonally-oriented geophones and one hydrophone.

The currently employed seismic technologies have been developed since the 1960s with the first use of digital recording. The historical development of seismic technologies and solutions may be briefly summarized as follows:

1960s: The start of digital seismic data acquisition, which succeeded the analogue output from the sensors. The now digital data could be processed and interpreted by computers. Systematic correction of known errors increased the quality significantly; further exacerbated by improved computer filings, storage, database management and algorithms employed in the processing and interpretation of raw data into more reliable subsurface seismic information.

1980s: Acquisition of 2D seismic data was the prevailing commercial method to obtain useful information. Marine recording was conducted through towing a straight line of receivers, fitted into one streamer, slightly below the sea surface. Geophysicists and geoscientists attempted to create a three dimensional ("3-D") image of the subsurface by speculating on the characteristics of the Earth between the different 2D slices. During the 1980s the commercial development of 3D seismic acquisition evolved. Development and cost reduction of computer processing power and acquisition techniques allowed more widespread application of 3D seismic. Vessels towed several parallel streamers with receivers and the geoscientists were able to process the collected data to depict a more complete and correctly detailed three-dimensional image of the subsurface, including geological horizons, fault planes and structures, rock types and fluid properties. The interpreters could more precisely pinpoint the migration paths of the hydrocarbons. New reservoirs were found, exploration and production costs fell and the overall risk associated with finding hydrocarbons was lowered.

1990s – 2005: 3D marine seismic adoption accelerated during the 90s and by the end of the decade, this was the industry standard as the most important pre-drill tool. Advances in vessel and equipment technology increased the efficiency of data acquisition and reduced the cost of 3D data drastically. With falling commodity prices towards the end of the 1990s, E&P companies contracted fewer new seismic surveys, which in turn led to lower speed of technological development. As a consequence, the utilization of seismic vessels during the late 1990s fell. To counteract the tendency and increase the vessel utilization providers of seismic surveys started to acquire seismic data on a speculative basis, which they capitalized as an asset with a view to selling at a later stage. These surveys were not configured according to the specification of customers, but had the advantage that they could be sold to multiple clients; the business model was hence called multi-client. Since the start of multi-client several hybrid business models have evolved, where parts of the costs associated with the acquisition and interpretation of the seismic data are pre-funded by the end-users.

2005 – 2010: By 2005, an increase in oil & gas prices saw E&P companies starting to significantly increase their capital spending for seismic surveys. The historical success rate on exploration wells was 20-25% and the E&P companies' drilling programs had become vastly more costly. This led to a sharp rise in the pace of innovation with a strong focus on the subsurface image quality. To improve the quality, the seismic contractors towed more and more streamers after the vessels to obtain wider angels from the seismic source (air gun). The number of towed streamers rose steadily and the newest vessels may tow up to 24 streamers. The second tendency, seeking to break the limitation of linear acquisition patterns, was to acquire the data in different azimuths (directions). Multi-Azimuth (MAZ) seismic acquisition was done by shooting the lines in different directions over the same area and then combining the data. A third new acquisition method was wide-azimuth (WAZ), where the concept was to de-couple the seismic source and the receivers. During the WAZ acquisition independent source vessels shot from different angels and distances to the streamers. There are currently a wide range of hybrid survey configurations combining the principles of MAZ and WAZ. During this period E&P companies also started to invest more 4D seismic which is the acquisition of seismic data at regular intervals over the same area in order to monitor the development of producing reservoirs with a view to maximising oil and gas recovery rates.

2010 – Present: Although the financial crisis slowed down the growth and development somewhat; the price for brent crude oil eventually returned to a level between USD 90 and 130. Since the start of 2011 the activity was high with attractive prices offered by the E&P companies to the seismic contractors, before the oil price started sliding in the second half of 2014. The oil price reached a low point in the beginning of 2016 and since rose to a level fluctuating between USD 40 to USD 60. Several seismic companies were battling low utilisation and stretched balance sheets.

Today, the price of Brent Crude is fluctuating around USD 70 per barrel, and the outlook for E&P spending is increasing.

7.2.1 Technological and methodical development leading to larger surveys and more spending

The dynamics and spending in the seismic industry has changed significantly with the increase in data acquisition efficiency. I 1987 a 500 square kilometre reference survey with two streamers took approximately 20 weeks, today that same survey would be shot by 10-14 streamers and take around three weeks. In combination with this significant increase in efficiency there has also been a four-fold increase in the amount of spending. The E&P companies have allocated, in absolute terms, significantly more on seismic surveys. The increases in efficiency and ability to acquire larger-scale regional surveys have contributed to the historical high growth of the seismic market.

In parallel with the development of the streamer seismic the ocean-bottom seabed seismic segment evolved. The OBS technologies were widely recognized as the technique yielding the highest quality images. This approach entails OBS receivers being placed directly on the seabed, which materially reduces noise in the data recorded and enables the additional measurement of vibrations in the earth through the three geophones inside the sensors. The fact that the source and the sensors are fully de-

coupled allows full azimuth (360 degree illumination of each sensor) and fold (distance to the sensors), which again significantly improves the quality of the images.

In addition to providing the best sub-surface imaging OBS also remedied the problem streamer seismic had of imaging structures and hydrocarbon below salt (through enabling longer offsets) and gas (through recording so-called shear waves).

7.2.2 Ocean-bottom seismic (OBS) technologies

Ocean-bottom cables (OBC) have historically been the most used equipment for collecting OBS. The principle is to lay cables on the seabed with a series of receivers integrated along the cable. These cables are, if Magseis is excluded, up to approximately 30 kilometres long and have a receiver typically every 25 meters. The cables are attached to either a vessel or a buoy, and the signals are sent from the receivers through the cables to the storage unit in the vessel or buoy. Conversely, electricity is sent from the vessel or buoy through the cables to the receivers. A de-coupled independent source vessel with seismic air guns shoots in a grid at the sea level. The applicable water depths have historically been down to about 700 meters, although OBC cables have been used down to 2,000 meters, and the daily production ranges from approximately 1-2 square kilometres.

The advantages of this OBC technology and method are typically:

- Real-time control of operations
- Higher deployment speed than nodes
- Good sampling density along the cable (distance between the receivers)
- Light weight of the cables relative to the nodes

The disadvantages of this OBC technology and method may be:

- Power and electrical signals are sent through the cables, which makes them vulnerable to breakage in wires/fibre inside the cables and errors in the power source. Particularly if the power source is located in a buoy. Furthermore, if the cables are damaged at a certain point it may disable the rest of the cables
- Because the signals are sent along the cables it limits the maximum possible length of the cable. A series of signal enhancers must typically be placed along the cable
- The systems are not suitable for ultra-deep water depths

The key suppliers of OBC are Schlumberger with the Q-Seabed system and Seabed Geosolutions with the Sercel SeaRay systems. The latter company is a joint venture between CGG (40%) and Fugro (60%). Finally there is OceanGeo which is owned by ION Geophysical.

Ocean-bottom nodes ("OBN") on the other hand started on a commercial basis in 2005. The nodes are autonomous battery-powered sensors, which are normally placed on the seabed using ROVs. Due to the relative complexity and required time of placing these nodes on the seabed the distance between them (sampling density) is often longer than what is the case for OBC. The principle of de-coupled shooting is the same. The nodes traditionally weigh around 30 kilograms for shallow/deep water nodes, and between 30 and 150 kilograms for ultra-deep water systems. Estimated daily production is up to 2 square kilometres for shallow water systems and around 1.0 square kilometres for ultra-deep water systems. The battery capacity varies between 65-75 days (temperature dependent).

The advantages of this OBN technology and method are:

- May be operated with one vessel
- May be used down to water depths of 3,000 meters

- Robust with very low technical downtime

The disadvantages of this OBN technology and method may be:

- The equipment is large and heavy, which makes handling more difficult and limits the amount of equipment that may be brought on-board
- The battery capacity is limited, which may demand that the nodes are recollected before all the shooting is completed
- It takes time to recharge the batteries, which is costly and inefficient when one is offshore
- The deployment/collection using ROVs is time intensive, which reduces the production efficiency
- The sampling density is typically more sparse, which reduces the image quality

The key suppliers in this space are FairfieldNodal with the Z100, Z700, Z3000 and ZLoF systems, Seabed Geosolutions with the CASE Abyss, Trilobite and Manta systems and OYO Geospace with their OBX nodes.

Magseis has developed a system with small, autonomous sensor capsules which can be inserted into an optimized steel cable and deployed and recovered at high speed and in large quantities (the Marine Autonomous System or "MASS") or being deployed as individual nodes with an ROV. The battery capacity for the Company's third generation technology has a duration of 150 days and each node weighs only 8 kg, which may be one of the most compact solution offered in the market[2]. These properties eliminate many of the disadvantages with both traditional OBC and OBN described above, and make Magseis' MASS technology efficient and well-suited for a wide variety of operations.

7.2.3 Competitive landscape for OBS providers

As of 2016 Year-End the OBS market capacity counted 16 crews (including announced/mobilising crews) operating their own, dedicated technology (excluding local, Chinese and very shallow water/transition zone crews). Seabed Geosolutions and Fairfield-Nodal represented 8 out of the total, but only 6 of these were active.

The different OBC and OBN crews vary in their specifications with the addressable water depth and production rates being the most critical factors. The difference in features prevents many of the crews from tendering on the same surveys, which makes the actual competition for certain surveys less; in some cases only one or two crews are eligible for taking on the contract. On a project to project basis the competition will also include local, specialised players such as SAExploration and BGP that hire in equipment. The highly specialized equipment often leads to crews staying in the same regions over longer periods.

[2] Reference is made to footnote 4.

The table below summarizes the key feature of the crews.

Company	Country	Type	# receivers	Node spec: Max water depth (m)	Weight (kg)	Recording (days)	ADC Resolution
magseis		Steel cable/Rope	5,000	3,000	8	65	32
magseis		ROV OBN	3,000	3,000	8	65	32
magseis		Steel cable/Rope	6,000	3,000	8	65	32
fairfieldnodal		ROV OBN	2,000	4000	22	100	24
fairfieldnodal		Rope	4,000	700	30	60	24
fairfieldnodal		ROV OBN	2,200	3000	97	180	24
Seabed		ROV OBN	1200	3,000	165	120	24
Seabed		ROV OBN	4,000	750	18	75	24
BGP		Rope (Z700)	8,000	700	30	60	24

Current Pending

Source: Prepared by the Company

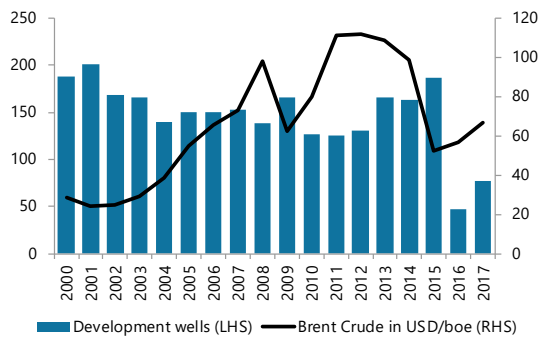
7.2.4 Application of Ocean-Bottom Seismic

Acquisition of seismic data may be divided into two main application categories, firstly exploration for new reserves and, secondly, field appraisal and development programs of already discovered hydrocarbons. The latter includes seismic acquisition on producing fields. They are typically referred to as exploration and production seismic, respectively.

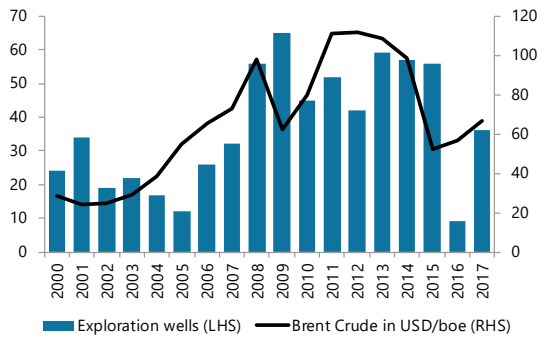
As a general observation, OBS is a less cost efficient way of acquiring seismic data than a streamer based survey. The high cost and long duration associated with OBS surveys stems from the nature of the operation, limitations on deployment and recovery speeds as well as the limited amount of equipment that can be deployed in one operation – which again results in a significant amount of overlap shooting. For these reasons OBS has historically been used primarily for production or appraisal purposes in close vicinity to a producing field or discovery.

Spending on producing fields and fields under development has historically been less volatile and cyclical than exploration spending. Spending programs for producing and developing fields are typically longer-term investment decisions, which may be harder to unwind. The relatively lower risk associated with these programs compared with exploration programs make them less affected by cost saving measures by the oil companies. This means that production seismic, which helps maximizing output from already producing fields, will still be prioritised by the oil companies although they might be scaling back their exploration activities. The difference in cyclicality may be observed when assessing the difference in the number of drilled development and exploration wells on the Norwegian Continental Shelf (NCS) relative to the oil price. Drilled development wells exert neither any apparent cyclicality nor a strong correlation to the oil price, while the drilled exploration wells have a strong correlation with the oil price (typically lagged one year).

Drilled development wells on NCS



Drilled exploration wells on NCS



Source: Oljedirektoratet; «Verdier for fremtiden – Ressursrapport for felt og funn 2017» (http://www.npd.no/Global/Norsk/1-Aktuelt/Nyheter/%5bPDF-vedlegg%5d/Ressursrapport-felt-funn-2017-norsk.pdf, accessed 13 February 2018), Norsk Petroleum; http://www.norskpetroleum.no/en /exploration/exploration-activity/ (accessed 13 February 2018).

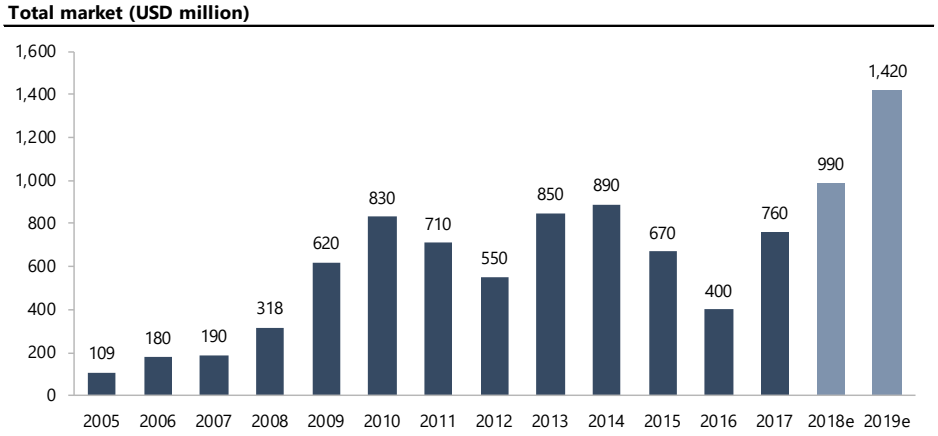
The shorter term contract structure of the seismic industry means that OBS investments will be more cyclical than development drilling, in particular during periods with significant oil price volatility such as now. OBS spending should, seen over some time remain less cyclical than streamer seismic given the close link to production spending.

7.2.5 Size of the OBS market

The graph below, compiled by the Company together with Arkwright and Rystad Energy, shows the development of the OBS market since 2005 with a compounded annual growth rate of 24% leading up to peak in 2014. Some 6-7 years back OBS was a marginal part of the overall seismic market, but has since then exerted a steady growth and by 2015 represented approximately 13% of the marine market. During 2010 – 2013 the market flattened due to capacity constraints in the supply of available OBS crews while 2014 recorded an all-time high with the total market exceeding USD 800 million. During 2015 the market contracted somewhat while 2016 declined substantially due to exploration and development cuts decided in 2014 and 2015 first came to effect after expiration of already agreed contracts. 2017 represented a definitive turnaround for the OBS market, with the market doubling from the previous year's size. The outlook for 2018 looks even stronger, and the Company currently has visibility of tenders and awards of approximately USD 770 million for 2018 at the date of this Prospectus.

Historical OBS market

Year	Size
2005	109
2006	180
2007	190
2008	318
2009	620
2010	830
2011	710
2012	550
2013	850
2014	890
2015	670
2016	400
2017	760
2018e	990
2019e	1420



Source: Compiled by Magseis ASA, Arkwright and Rystad Energy.

Longer term, the OBS market is projected to grow steadily as efficiency increases and costs to the clients decrease. A parallel to the historical development of the streamer industry may be drawn with the introduction of new technology seeking to increase the efficiency and the amount of OBS data required per day. This will allow faster and more cost efficient collection over potentially larger areas. Such cost reductions in combination with increasing survey sizes and OBS' exposure towards production seismic is expected to drive steady growth going forward. More efficient methods and technologies may in addition also open up for more exploration-related OBS.

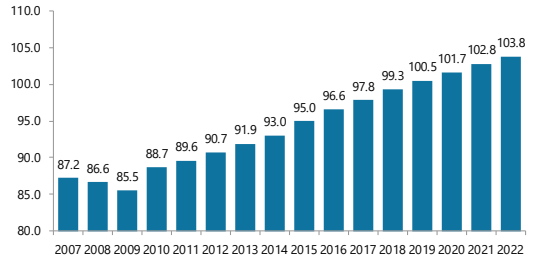
7.3 GENERAL MARKET DRIVERS

Historically, the seismic streamer market has been heavily dependent on oil market fundamentals and continued growth relies on E&P spending. This chapter will seek to set forth some of the underlying factors which affect historical and future spending levels.

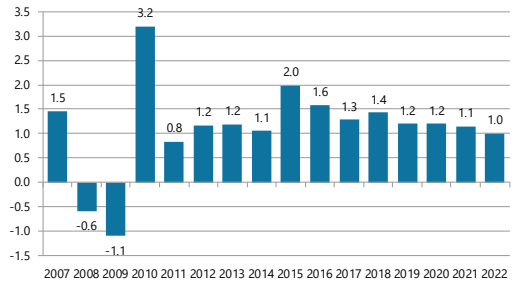
7.3.1 Oil and gas demand

Total global oil demand has been increasing steadily since 1983, only interrupted by two years of decline in 2008 and 2009. Since 2010 the demand for oil has been growing steadily, reaching approximately 96.6 mbd in 2015, according to IEA. The total global demand has increased by about 1-2% per year since 2010 and is expected to continue to grow at the same pace, corresponding to an annual growth of approximately 1.1-1.3 mbbl/day going forward.

Total demand (Mb/d)



Demand growth (Mb/d)



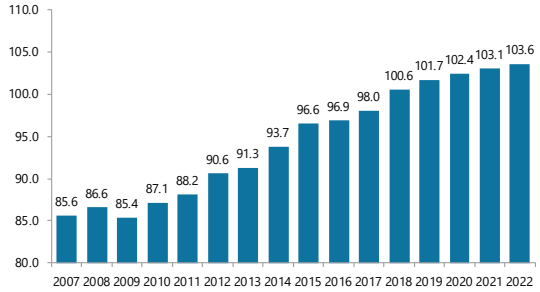
Source: IEA World Energy Outlook 2017. Data available at: http://www.iea.org/bookshop/750-World_Energy_Outlook_2017 at a cost of EUR 120.

The increase in global demand is solely driven by non-OECD countries, which offsets a decline in OECD demand. In its World Energy Outlook 2017, IEA projects an average annual growth of 1.4 mbd in non-OECD demand from 2017 to 2020, and a 0.1 mbd decline in OECD demand.

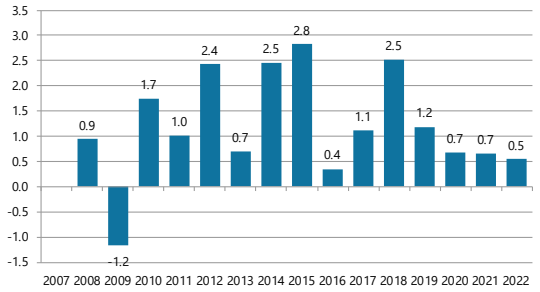
7.3.2 Oil and gas supply

After a long period characterised by strong growth in demand and supply, a healthy market balance and a stable oil price levels, prices started sliding in the second half of 2014 as signs of oversupply became evident. On the back of booming shale production in the United States, 2014 and 2015 recorded a supply growth of 2.5 mb/d and 2.8 mb/d, respectively.

Total supply (Mb/d)



Supply growth (Mb/d)



Source: IEA World Energy Outlook 2017. Data available at: http://www.iea.org/bookshop/750-World_Energy_Outlook_2017 at a cost of EUR 120.

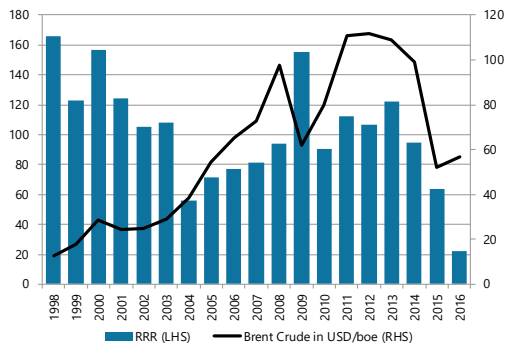
IEA is still expecting oversupply in 2018 but going forward global oil supply is expected to grow at a somewhat lower pace than demand. As seen in the charts above, total global supply growth is expected to remain at fairly modest levels from 2020 an onwards.

7.3.3 Projected global E&P spending

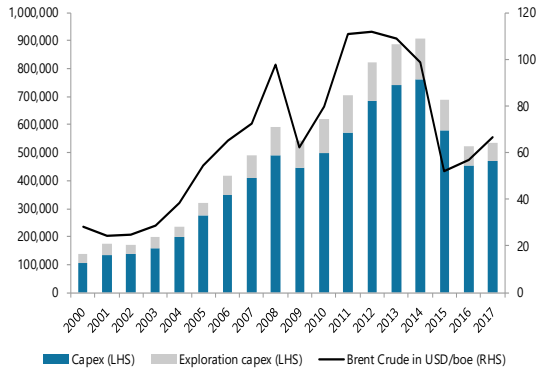
Oil companies are struggling to find new sources of supply to meet the growing demand. Their organic oil & gas reserve replacement ratio ("RRR"), which indicated how much of their production they are able to replace with new discoveries, has shown a declining trend over the last fifteen years. Hence, efforts by various oil companies in order to find new oil and gas reservoirs have increased.

Further to this, as easily accessible reserves become depleted and new oil fields are located at more remote locations with large water depths and complex geology, the marginal cost of producing one extra barrel of oil has also increased. The declining RRR combined with an increasing planning price led to a steady increase in global E&P up until 2014.

Organic reserve replacement ratio (RRR)



E&P spending (USDm) vs Brent Crude price



Source: The organic Reserve replacement ratio (reserve additions excl. acquisitions/divestments divided by production) calculated as the average of ExxonMobil, Chevron, Shell, BP, Total, Eni, ConocoPhillips and Statoil. Data is gathered and compiled by Arctic Securities Research based on publically available company information.

The figures above show the development in both organic reserve replacement ratio (for the 8 oil majors accounting for approximately 14% of global production) and E&P spending plotted against the Brent Crude oil price. Looking at these figures, it becomes evident that as long as oil prices were increasing, so did E&P spending. Oil prices at close to all-time highs provided a supportive environment for oil and gas companies trying to fight a declining RRR by increasing E&P spending, but as soon prices turned south in 2014, the industry quickly adapted to the new situation by reducing spending.

On the back of the reduction in global E&P spending, Magseis has for a period viewed the underlying market environment and demand for the Company's services as more subdued but is now more optimistic as tender activity is picking up.

8 BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

This Section provides summary information about the Board of Directors and the Executive Management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company.

8.1 OVERVIEW

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organization, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the executive management of the Company (the "Executive Management").

The Company's Executive Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the board of directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, at least once a month the Company's CEO must brief the Board of Directors about the Company's activities, financial position and operating results.

8.2 BOARD OF DIRECTORS

The members of the Board of Directors are elected by the general meeting of shareholders. The Company's Articles provide that the Board of Directors shall have between 3 and 5 members. In accordance with Norwegian law, the CEO and at least half of the members of the Board of Directors must either be resident in Norway, or be citizens of and resident in an EU/EEA country.

At the date of this Prospectus, the Board of Directors consists of the following members:

Name	Position	Director since	Expire of term
Jan P. Grimnes	Chairman/Non-Executive Director	2016	2018
Jan B. Gateman	Executive Director and SVP R&D	2009	2018
Bettina Bachmann	Non-Executive Director	2014	2018
Jan M. Drange	Non-Executive Director	2016	2018
Gro Gunleiksrud Haatvedt	Non-Executive Director	2017	2018

The Company's registered business address, Dicks vei 10B, N-1366 Lysaker, Norway, serves as c/o address for the members of the Board of Directors.

The composition of the Board of Directors is in accordance with the recommendation in the Norwegian Code of Practice of 30 October 2014 (the "Code"), except for the information provided in Section 9.8 "Board Practices and Corporate Governance".

The following provides brief biographies for each member of the Board of Directors:

Jan P. Grimnes (Chairman and Non-Executive Director)

Jan P. Grimnes holds a Master of Science in Petroleum Technology from the Norwegian University of Science and Technology (1984) and a Master of Science degree in Business Economics from the MSc, Norwegian School of Economics (1990). Jan P. Grimnes has more than 30 years of working experience from oil companies, oil service companies and as an investor and professional board member. His technical experience includes reservoir engineering, geoscience, project management and development of quality assurance systems for oil companies. He has founded and developed software companies that were later acquired by large international service companies. From 2002 till 2005 he managed the new generation geoscience software in Schlumberger. One of his current projects is to

develop a new generation seismic interpretation software system called Geoteric. This system is now in use by more than 150 oil companies worldwide. The user are supported through a number offices located in key oil provinces. Since 2004 Jan P. Grimnes has served as board member and chairman of a number of private, public and listed companies.

Jan B Gateman (M.Sc. in Marine Geology, Executive Director and SVP R&D)

Jan Gateman is one of the Co-Founders of Magseis. Jan Gateman has 40 years seismic industry experience, with particular focus on the multi-client seismic business segment, and has held various senior management positions with companies such as Geco 1983- 1987, Nopec 1987-1993, CGG 1993-1998, GeoInnova, Inseis and Wavefield Inseis. He was one of the persons pioneering the multi-client 3D seismic industry in North West Europe and is also one of the founders of both GeoInnova and InSeis. He holds a Master of Science degree in Marine Geology.

Bettina Bachmann (Non-Executive Director)

Bettina Bachmann has more than 30 years of experience within the oil & gas industry. Bettina Bachmann joined Shell in 1983 in The Hague as an explorer and soon moved to Tunisia, where her first assignment included geological fieldwork and exploration evaluation. This was followed by a number of postings across the Middle East and Europe in various technical and leadership roles in exploration and production. Following a short assignment to design leadership courses for exploration, Bettina moved to Upstream R&D in 2005 where she was responsible for strategy, planning and technology deployment. End 2009, Bettina was appointed Vice President for Subsurface and Wells Software in Production and Technology. Since 2012, this also includes Shell's globally organised support and deployment teams in the regions. She holds a Master's degree in geophysics from the ETH in Zurich.

Jan M. Drange (Non-Executive Director)

Jan M. Drange holds a Master of Law from the University of Oslo (1981) with a degree in petroleum law (1978), and a degree in economy from the Bank Academy («Bankakademiet») in Oslo (1983). Jan M. Drange has more than 35 years of experience from working with domestic and international law firms, financial institutions, oil companies and offshore service companies. He served as senior adviser to the Ambassadors of the United Arab Emirates and the Royal Embassy of Saudi Arabia in Norway from 2012 until 2016. Prior to these positions, Jan M. Drange served as independent executive adviser to oil companies and offshore services companies worldwide. From 1996 until 2002 he served as Chairman to DNO ASA and Det Norske Oljeselskap AS, prior to which, he served as Attorney-at-law at the lawfirm Steenstrup (now SANDS), Managing Director of Samuel Montagu, Deputy Managing Director and Vice President of Chase Manhattan Bank Norway and Vice President of Den norske Creditbank. Jan M. Drange has served as professional board member and chairman of numerous private, public and listed companies since 1986, including the seismic companies Multiwave Geophysical Company (chairman) and Inseis.

Gro Gunleiksrud Haatvedt (Non-Executive Director)

Gro Gunleiksrud Haatvedt has held the position of SVP Exploration in Aker BP since 2014, and has a strong background in the oil and gas industry. She has prior experience as Exploration Manager for the Norwegian Continental Shelf and as Country Manager in Libya for Statoil ASA. With Norsk Hydro, she held several positions including Head of Geology, Technology and Competence. Responsibilities included business development in Iran and as VP Exploration for the Norwegian Continental Shelf.

She holds a Master's degree in Applied Geophysics from the University of Oslo.

8.3 EXECUTIVE MANAGEMENT

The Company's Executive Management comprises the following members:

Name and position	Position	Employed from
Per Christian Grytnes	CEO	December 2017
Mikkel Ektvedt	CFO	2011
Bjørn Jensen	COO	June 2014
Nils Halvor Heieren	CTO	2013
Ivar Gimse	SVP Business Dev.	2013, Founder
Jan B. Gateman	SVP R&D	Founder

The Company's registered business address, Dicks vei 10B, 1366 Lysaker, Norway, serves as c/o address for the members of the Executive Management.

The following provides a profile of the members of the Executive Management:

Per Christian Grytnes (M.Sc. in Petroleum Technology, CEO)

Per Christian Grytnes joined Magseis in December 2017. He has 30 years of experience from the energy industry. He has an extensive international executive career from oil & gas companies and service companies. He started his career as a researcher at Rogaland Research and later joined Saga Petroleum. He developed ODS-Petrodata into a world leader in rigs, marine and field construction market intelligence. ODS-Petrodata was acquired by IHS Inc. He continued as an executive for IHS Energy.

He holds a Master of Science in Petroleum Technology from University of Stavanger.

Mikkel Ektvedt (BA in Business Administration, CFO)

Mikkel Ektvedt has more than 15 years of experience from the finance and offshore industries. From 2000 until 2008 Mikkel worked for the corporate finance division of SEB in London and Oslo. Prior to joining Magseis, Mikkel worked as VP of corporate development for FLEX LNG in London. He holds a Bachelor of Business Administration from Simon Fraser University in Canada.

On 25 October 2017 it was announced that Mikkel Ektvedt had resigned as CFO for the Company. Mikkel Ektvedt has continued in his current position till 2 February 2018 while the Company searched for his replacement.

Bjørn Jensen (M.Sc. in Engineering Cybernetics, COO)

With almost 20 years of experience from the offshore service industry, Bjørn Jensen joined Magseis in June 2014. Prior to entering his current role as COO of Magseis, he held various managerial positions, lastly as Managing Director of iSurvey AS, a Norwegian based offshore survey company. From 1995 to 2011 Bjørn worked for PGS, both offshore and from 1998 in different roles on shore. From 2008 he held the position as VP Operations with a global operational responsibility for all PGS Marine Seismic operations. He holds a Master of Science in Engineering Cybernetics, specialising in Navigation and Control of marine vessels from NTNU in Trondheim.

Nils Halvor Heieren (M.Sc. in Mechanical Engineering, CTO)

Nils Halvor Heieren joined Magseis in 2013. He has almost 20 years of experience from the oil service industry, the last 15 with seismic. He started his career as a mechanical engineer in Promech Engineering, where he also served as board member. In April 2002, he moved to WesternGeco to work with development of towed streamers and other in-sea systems. He later took on positions as project manager in the Sustaining and Engineering departments, most recently managing the Towing and Handling department. Nils has previously served as VP Engineering in Magseis, being responsible for the continuous development of the MASS node systems, deck handling equipment and novel node

deployment systems. He holds a Master of Science in Mechanical Engineering from the Norwegian Institute of Technology in Trondheim.

Ivar Gimse (M.Sc. in Geophysics, SVP Business Development)

Ivar Gimse is one of the Co-Founders of Magseis. He served as CEO up to August 2016. Ivar Gimse has more than 25 years seismic industry experience, with particular focus on data processing, multi-client seismic project development, Ocean Bottom Cable operations and technical marketing. Ivar held various senior management positions with Geco-Prakla 1983-1998 and PGS 1998-2006 before joining InSeis in 2006 as Vice President, Business Development. He holds a Master of Science degree in Geophysics from the University of Oslo.

Jan B Gateman (M.Sc. in Marine Geology, Executive Director and SVP R&D)

See information in Section 9.2 "Board of Directors".

On 27 February 2018, Magseis announced that Tom Henrik Sundby has accepted the position as CFO (replacing Mikkel Ektvedt) and that he will join Magseis in April 2018. Mr. Sundby has more than 25 years' experience in finance and management roles most recently as Finance Director of BerGenBio ASA. Previously, he was based in Dubai, UAE, where he held the position as CFO of Polarcus for 8 years. He has otherwise held various financial and management positions within KPMG and TINE. Mr. Sundby holds a Master of Business Administration degree with Honours from BI Norwegian Business School and ESCP, France.

It was also announced that Magseis had further strengthen the geoscience team with the addition of Eivind Frømyr. Mr. Frømyr has more than 30 years of experience in the oilfield service industry and joined Magseis in February 2018. His experience ranges from geophysical processing and development to wireline services and management. He was also a Cofounder of Read Well Services. Mr. Frømyr joined PGS to start up the PGS Reservoir Services Group as Technical Manager and became VP for Geophysical Technology, Reservoir Services. He held various positions in PGS Marine Geophysical both in Europe and North America. Before joining Magseis he was Chief Geophysicist for PGS Marine Geophysical Contract division. He holds a BSc in Economics and an MSc in Physics.

In addition, Magseis has also successfully recruited a SVP Sales & Marketing who will join the company in April 2018 at which time his name will be announced. The successful candidate has 15 years of seismic industry experience, primarily in sales & marketing with the last 10 years being in multi-client sales. He holds a Master in Geology from the University of Oslo.

8.4 REMUNERATION AND BENEFITS

8.4.1 Board of Directors

The compensation for the members of the Board of Directors for their service as directors is determined on an annual basis by the shareholders of the Company at the annual General Meetings of shareholders.

The table below sets out the remuneration paid to each member of the Board of Directors for the financial year ended 31 December 2017 (in NOK thousands):

Name and position	Board fees	Committee fees	Total remuneration in 2017
Jan P. Grimnes - Chairman and Non-Executive Director	34	6	40
Jan B. Gateman - Executive Director and SVP R&D)	30	-	30
Jan M. Drange Non-Executive Director	30	-	30
Bettina Bachmann Non-Executive Director	0	-	0
Gro Gunleiksrud Non-Executive Director	0	-	0
Total	**94**	**6**	**100**

8.4.2 Management

The table below sets out the remuneration paid to the Management for the financial year ended 31 December 2017 (in NOK thousands):

Name and position	Remuneration	Options	Pension	Total
I. Horstad[1] CEO	212	77	9	222
Per C. Grytnes[2] CEO	22			22
M. Ektvedt CFO	203	8	10	212
B. Jensen CFO	165	19	10	175
N.H. Heieren CTO	167	9	10	176
J.B. Gateman SVP	0	4	0	0
I. Gimse SVP	204	69	11	216
Total	**973**	**186**	**50**	**1,023**

1 CEO until 30 November 2017.

2 Constituted CEO since 30 November 2017. Grytnes has an agreed yearly remuneration of NOK 2.2 million, a sign-on fee of NOK 400,000 and 250,000 options. His employment agreement has not yet been signed as he is acting CEO at the date of this Prospectus.

All management receive their remuneration in NOK and the decrease in remuneration is mainly due to the depreciation of the NOK against USD.

Mikkel Ektvedt's contract has a notice period of six months, whereas Nils Heieren's and Bjørn Jensen's contracts have a notice period of three months.

Jan B. Gateman is engaged as an independent consultant as Senior Vice President.

The CEO is entitled to severance pay equivalent to 12 months' salary, commencing at the end of the notice period, when the resignation is at the request from the Company. Any other payment earned during this period will be fully deducted.

At the date of this Prospectus, and with the exception for information described immediately above, no members of the Board, Management or supervisory bodies' service contracts with the issuer or any of its subsidiaries provides for benefits upon termination of employment.

8.4.3 Shares and Options held by Members of the Board of Directors and Executive Management

The following table sets forth information concerning the Company's director's direct or indirect ownership of Shares, as of the date of this Prospectus and the total number of Shares post registration of the Private Placement Shares in the Private Placement:

Details regarding the outstanding options can be found in Section 13.1 "Share Capital and Shares".

Name	Position	Shares	Options	Shares post Private Placement[1]
Board				
Jan P. Grimnes[2]	Chairman/Non-Executive Director	1,833,333	0	2,333,333
Jan B. Gateman[3]	Executive Director and SVP R&D	4,571,716	15,000	4,613,382
Bettina Bachmann[4]	Non-Executive Director	2,245,638	0	3,580,363
Jan M. Drange	Non-Executive Director	0	0	0
Gro Gunleiksrud Haatvedt	Non Executive Director	0	0	0

Executive Management				
Per Christian Grytnes	CEO	0	0	111,111
Mikkel Ektvedt	CFO	40,333	75,000	65,333
Bjørn Jensen	COO	0	125,000	0
Nils Halvor Heieren	CTO	0	28,000	0
Ivar Gimse	SVP Business. Dev.	924,825	295,000	930,380

[1] Shareholding post Private Placement.

[2] Indirect ownership through Redback AS.

[3] Indirect ownership through Geo Innova AS

[4] Shell Technology Ventures BV.

8.4.4 Loans and Guarantees

The Company has no outstanding guarantees, or loans or any other similar commitments granted to any member of the Board of Directors or the Management.

8.5 DIRECTORSHIP, PARTNERSHIP AND MANAGEMENT POSITIONS

The table below set forth the directorships, partnerships and/or management positions (apart from any such position of responsibility in the Company), the members of the Board of Directors and Management presently hold, and have held within the last five years preceding the date of this Prospectus. Please note that any directorships or partnerships held in any of the Company's subsidiaries are not included in the overview below.

Description	Current directorships and senior management positions	Previous directorships and senior management positions last five years
Board		
Jan P. Grimnes	Foster Findlay Associates Limited (Chairman)	Konghellegaten Panorama AS (Chairman), Rosenhoff Eiendom AS (Chairman), Q-Free ASA (Director)
Jan B. Gateman	Geo Innova AS (CEO and Chairman) for the past 5 years	-
Bettina Bachmann	Swiss Shell Pension fund (Director)	
Jan M. Drange	Founder and sole owner and director of 2 Norwegian unlimited companies (enkeltpersonforetak): - Diplomatic Services - Best Foods of Norway	Member of the Control Committee of GE Finance Company, Oslo Norwegian Saudi Arabian Chamber of Commerce, Oslo
Gro Gunleiksrud Haatvedt	SVP Exploration Aker BP (2013 – present), Exploration Manager Forum – Director of The Forum (2017-2020), Geodata Trade Organization – Chairman of The Board (2016-2020)	SVP Exploration Statoil (2011-2013)
Management		
Per Christian Grytnes	-	SVP CGG Managing Director FMCS AS Sevoteam (board member) FMCS Pty Ltd (board member)
Mikkel Ektvedt	Gezina AS (Director) Brøvigtank AS (Director)	-

Description	Current directorships and senior management positions	Previous directorships and senior management positions last five years
	Black Tusk AS (CEO and Chairman), Enkeltmannsforetaket – Mikkel Ektvedt (Holder)	
Bjørn Jensen		iSURVEY AS (CEO) until 31 May 2014 PGS Geophysical AS (Vice President Operations)
Nils Halvor Heieren	-	-
Ivar Gimse	Gneis AS (CEO and Chairman)	-
Jan Gateman	Geo Innova AS (CEO and Chairman)	-

8.6 EMPLOYEES

As of the year ended 31 December 2017, the Group had 127 full time employees (of which 13 were temporary employed) and 11.4 full time consultants. Of the 127 employees, 56 are based offshore and 71 are based onshore. The table below illustrates the development in number of employees over the last years, as per the end of the years 2015, 2016 and 2017.

	2017	2016	2015
Staff position	127	83	77
Contractors/secondees	12	25	15
Total	**139**	**108**	**92**

8.6.1 Employee Incentive schemes

In 2012, the Group established a share option programme that entitles key management personnel, senior employees and some members of the Board to purchase shares in the Company. In accordance with this program options are exercisable at the market price of the share at the date of the grant and all options are equity settled.

In 2017, 116,000 share options were granted to employees. The grants have a strike price of NOK 15.65, and vesting criteria of which 20% become exercisable after one year, 30% become exercisable after two years and 50% become exercisable after three years. See Section 13.1.5 "Options" for further details regarding share options granted to employees.

8.6.2 Pensions

The Group is required to maintain a pension plan in accordance with the Norwegian Pension Benefit Act. The pension plans of the Group comply with the requirements set forth in the Norwegian Pension Benefit Act. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. The Group has therefore no further payment obligations once the contributions have been paid. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity for pension, based on obligatory, agreed on or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The total cost in 2017 for the Group to provide pension benefits for its employees is USD 507,345.

8.6.3 Statement from the Board of Directors and the Management

No member of the Board of Directors or the Management has during the last five years preceding the date of this Prospectus had:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

8.7 BOARD OF DIRECTORS PRACTICES AND CORPORATE GOVERNANCE COMPLIANCE

The Group believes that good and sound corporate governance creates higher shareholder value. As a result, Magseis is committed to developing high standards of Corporate Governance. Magseis' principles of Corporate Governance have been developed based on the Code. The Board of Directors have prepared a single document summarizing how the Code has been implemented by the Company. The latest version of this document, the Corporate Governance Report for the year 2016 was adopted by the Board of Directors on 21 April 2017. The Corporate Governance Report for 2016 is incorporated by reference in Section 15.2 "Incorporation by reference" in this Prospectus. The Corporate Governance Report for 2016 includes a description of any deviations of the Company from the recommendations of the Norwegian Corporate Governance Code.

Currently, the Company comply with the Norwegian Code of Practice, with the following exceptions:

- Jan B. Gateman is a member of the Board of Directors and is also SVP R&D for Magseis and a founder of the Company, and is granted share options in the Company.

- The performance related remuneration to employees is not subject to an absolute limit.

The Board of Directors will continuously develop and monitor its corporate governance commitments based on experience, input from shareholders and the market in general.

8.8 CONFLICTS OF INTEREST

Reference is made to the description of material contracts with Westcon as set out in Section 7.11 "Material Contracts". In 2013 Westcon became the largest shareholder of the Company, and today is the second largest shareholder. As at the date of this Prospectus, Westcon owns 5,661,436 shares corresponding to 7.3% of the issued share capital taking into account the issuance of the Private Placement Shares. Westcon's position as an owner and a business relation may pose a potential conflict of interest.

As at the date of this Prospectus, board member Jan B. Gateman[3] owns 4,613,382 Shares corresponding to 5.9% of the issued share capital, taken into account the issuance of the Private Placement Shares and 15,000 options in the Company. Gateman's position as owner and Board member may pose a potential conflict of interest.

Except as set out above, there are no potential conflicts of interests between any duties to the Company, of the members of the Board or the Management, and their private interests and or other duties.

[3] Indirect ownership through Geo Innova AS.

There are no family relations between any of the members of the Board or of the Management.

8.9 COMMITTEES

Nomination committee

The Company has established a nomination committee which comprises Roar Bekker (chairperson), Jon Hille Walle and Anders Farestveit. Both Roar Bekker and John Hille Walle are independent of the Board and the Management. Anders Farestveit is the largest shareholder and observer in the board of Directors. The requirement for having a nomination committee and the committee's duties are incorporated in the Company's Articles. The general meeting elects the members of the committee and approves the nomination committee guidelines and remuneration. The nomination committee's main tasks are to give the general meeting its recommendations regarding (i) the election of board members to be elected by the shareholders, (ii) remuneration to the board members, (iii) the election of members of the nomination committee; and (iv) the remuneration of the nomination committee. The term of service is two years unless otherwise decided by the general meeting.

Audit committee

The Company has established an audit committee which comprises Jan Grimnes and Jan Drange. The audit committee's tasks are (i) review interim and annual financial reports and processes, (ii) monitor the systems for internal control and risk management, (iii) maintain on-going contact with the Magseis' elected auditor regarding the audit of the annual financial statement, and (iv) assess and monitor the auditor's independence, hereunder particularly to which extent other services than auditing, provided by the auditor or the auditing Company, constitute a threat against the auditor's independence. Currently none of the members of the audit committee fulfil the requirements of section 6-42 of the Norwegian Public Companies Act. It is, however, the intention that this will be remedied in connection with the annual general meeting for 2018.

9 SELECTED OPERATING AND FINANCIAL INFORMATION

9.1 INTRODUCTION AND BASIS FOR PREPARATION

The following selected financial information has been derived from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015 (the Financial Statements) and the Group's unaudited consolidated interim financial statements as of, and for the three months ended, 31 December 2017 and 2016 and for the full year ended 31 December 2017 (the Interim Financial Statements). The Financial Statements have been prepared in accordance with IFRS, while the Interim Financial Statements have been prepared in accordance with IAS 34.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Information incorporated by reference hereto, see Section 15.2 "Incorporation by reference".

9.2 SUMMARY OF ACCOUNTING PRINCIPLES AND POLICIES

See note 2.4 to the Financial Statements for 2016, incorporated by reference hereto in Section 15.2 "Incorporation by Reference", for a full summary of Magseis' significant accounting policies.

9.3 CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

9.3.1 Selected Consolidated Statement of Comprehensive Income

The table below sets out selected data from the Group's unaudited consolidated interim statement of comprehensive income for the three month periods ended 31 December 2017 and 2016 and for the full year ended 31 December 2017 and the Group's from financial position as at 31 December 2017 and from the Group's audited consolidated statement of comprehensive income for the years ended 31 December 2016 and 2015.

In USD thousand	**Three months ended 31 December**		**Year ended 31 December**		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Revenue and other income					
Total revenue and other income	**4,752**	**20,024**	**73,877**	**58,905**	**40,671**
Operating expenses					
Cost of sales	5,454	11,111	35,700	39,038	31,427
Research and development expenses	494	660	2,002	2,022	2,056
Selling, general and administrative costs	3,209	2,287	9,648	7,863	7,569
Other expenses	109	435	391	1,475	1,966
Depreciation and amortisation	3,395	3,111	15,148	10,769	9,193
Amortisation	116	133	463	1,409	3,978
Impairment	0	393	233	7,441	119
Total operating expenses	**12,778**	**18,130**	**63,585**	**70,018**	**56,308**
Operating profit (loss)	**-8,025**	**1,894**	**10,292**	**-11.114**	**-15,637**
Financial income and expenses					
Financial income	987	398	3,703	1,593	283
Financial costs	-1,671	-770	- 4,101	-2,986	-717

In USD thousand	Three months ended 31 December		Year ended 31 December		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Net finance costs	**- 684**	**-373**	**- 397**	**-1,393**	**-434**
Net profit (loss) before tax	**-8,709**	**1,521**	**9,895**	**-12,507**	**-16,071**
Income tax expense	1,078	1,463	3,199	4,188	439
Net profit (loss)	**-9,787**	**58**	**6,696**	**-16,695**	**-16,510**
Basis earnings (loss) per ordinary share (in USD)	-0.16	0.00	0.11	-0.44	-0.58
Diluted earnings(loss) per ordinary share (in USD)	-0.16	0.00	0.11	-0.44	-0.58
Other comprehensive income					
Currency exchange differences	0	0	0	0	0
Total comprehensive income (loss) for the period	**-9,787**	**58**	**6,696**	**-16,695**	**-16,510**

9.3.2 Selected Consolidated Statement of Financial Position

The table below sets out selected data from the Group's unaudited consolidated interim statement of financial position as at 31 December 2017 and from the Group's audited consolidated statement of financial position as at 31 December 2016 and 2015.

In USD thousand	As at 31 December		
	2017 *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Assets			
Non-current assets			
Equipment	69,083	42,991	47,346
Multi-client library	0	0	877
Intangible assets	5,333	5,583	3,543
Investments in subsidiary	0	0	0
Total non-current assets	**74,416**	**48,574**	**51,766**
Current assets			
Cash and cash equivalents	29,776	18,974	11,435
Trade receivables	9,137	10,681	2,693
Other current assets	10,220	8,436	6,936
Total currents assets	**49,133**	**38,092**	**21,064**
Total assets	**123,549**	**86,665**	**72,830**

In USD thousand	As at 31 December		
	2017 *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Equity			
Shareholders' equity			
Share capital	438	303	254
Share premium	141,486	102,594	90,945
Other equity	3,284	3,012	2,630
Retained earnings	-45,044	-51,740	-35,045
Currency translation reserve	-5,124	-5,124	-5,123
Total equity attributable to equity holders of the Company	**95,040**	**49,045**	**53,661**
Total equity	**95,040**	**49,045**	**53,661**
Liabilities			
Non-current liabilities			
Obligation under finance lease	0	951	1,891
Other non-current financial liabilities	13,049	14,188	4,402
Total non-current liabilities	**13,049**	**15,139**	**6,293**
Current liabilities			
Trade payables	6,010	5,870	7,607
Current tax payable	1,111	2,841	212
Current portion of obligations under finance lease and loan	3,249	7,881	848
Other current liabilities	5,090	5,890	4,209
Total current liabilities	**15,460**	**22,481**	**12,876**
Total liabilities	**28,509**	**37,620**	**19,169**
Total equity and liabilities	**123,549**	**86,665**	**72,830**

9.3.3 Selected Consolidated Cash flow statements

The table below sets out selected data from the Group's unaudited consolidated interim statement of cash flow for the three month periods ended 31 December 2017 and 2016 and for the full year ended 31 December 2017 and from the Group's audited consolidated statement of cash flow for the years ended 31 December 2016 and 2015.

In USD thousand	Three months ended 31 December		Year ended 31 December		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Cash flows from operating activities					
Profit / (Loss) before tax	-8,709	1,521	9,895	-12,057	-16,071
Adjustment for:					

In USD thousand	**Three months ended 31 December**		**Year ended 31 December**		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Taxes paid	-1,274	-1,096	-4,447	-1,133	-245
Deferred lease discount amortisation	-87	-119	-438	-470	-460
Depreciation and amortisation	3,511	3,244	15,611	12,179	13,171
Impairment	0	393	233	7,441	119
Share based payments expense	52	78	272	382	591
Interest expense	245	553	1,347	1,452	595
Interest income	-18	-8	-23	-15	-49
Working capital adjustments:					
(Increase) / decrease in current assets	4,975	5,021	2,368	-9,395	2,487
Increase / (decrease) in trade and other payables and accruals	3,685	-952	-660	-51	-3,763
Net cash from operating activities	**2,380**	**8,637**	**24,157**	**-2,117**	**-3,625**
Cash flows from investing activities					
Interest received	18	8	23	15	49
Acquisition of equipment	-17,430	-71	-44,366	-13,906	-10,133
Payments for capitalised development and intangibles	-73	-235	-214	-2,572	-1,389
Multi-client library investments	0	0	0	0	-4,383
Net cash used in investing activities	**-17,485**	**-298**	**-44,557**	**-16,463**	**-15,856**
Cash flows from financing activities					
Proceeds from loan	117	1,522	934	20,306	3,310
Payment of finance lease obligation and loan	-419	-3,804	-7 412	-4,431	-761
Proceeds from issue of share capital	0	0	40,511	12,183	7,469
Expenses related to issue of share capital	0	0	-1,485	-485	-281
Interest paid	-245	-553	-1,347	-1,452	-412
Net cash from financing activities	**-547**	**-2,836**	**31,201**	**26,120**	**9,325**
Net change in cash and cash equivalents	-15,651	5,503	10,801	7,540	-10,156
Cash and cash equivalents at 1 January	45,427	13,471	18,974	11,435	21,591
Cash and cash equivalents and period end	**29,776**	**18,974**	**29,776**	**18,974**	**11,435**

9.3.4 Selected consolidated statement of changes in equity

The table below sets out selected data from the Group's unaudited consolidated statement of changes in equity for the three month periods ended 31 December 2017 and 2016 and for the full year ended 31 December 2017 and from the Group's audited consolidated statement of changes in equity for the years ended 31 December 2016 and 2015.

In USD thousand	**Share capital**	**Share premium reserve**	**Share based payments reserve**	**Retained earnings**	**Currency translation reserve**	**Total**
Balance at 1 January 2015	237	83,774	2,039	-18,535	-5,124	62,391
Profit / (loss) for the period	0	0	0	-16,510	0	-16,510
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	-16,510	0	-16,510
Share issuance	17	7,452	0	0	0	7,469
Expenses related to share issuance	0	-281	0	0	0	-281
Share-based payments (options)	0	0	591	0	0	591
Balance at 31 December 2015	**254**	**90,945**	**2,630**	**-35,045**	**-5,124**	**53,661**
Balance at 1 January 2016	254	90,945	2,630	-35,045	-5,124	53,661
Profit / (loss) for the period	0	0	0	-16,695	0	-16,695
Other comprehensive income	49	12,134	0	0	0	12,183
Total comprehensive income for the year	0	0	0	-16,695	0	-16,695
Share issuance	49	12,134	0	0	0	12,183
Expenses related to share issuance	0	-485	0	0	0	-485
Share-based payments (options)	0	0	382	0	0	382
Balance at 31 December 2016	**303**	**102,594**	**3,012**	**-51,740**	**-5,124**	**49,045**
Balance at 1 January 2017	303	102,594	3,012	-51,740	-5,124	49,045
Profit / (loss) for the period	0	0	0	6,696	0	6,696
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the year	0	0	0	6,696	0	6,696
Share issuance	135	40,376	0	0	0	40,511
Expenses related to share issuance	0	-1,485	0	0	**0**	-1,485
Share-based payments (options)	0	0	272	0	0	272
Balance at 31 December 2017	**438**	**141,486**	**3,284**	**-45,044**	**-5,124**	**95,040**

9.3.5 Significant changes in financial or trading position after 31 December 2017

On 26 January 2018, the Company raised gross proceeds of NOK 300 million in new equity in the Private Placement, see Section 5.1 "The Purpose of the Private Placement and use of proceeds" and Section 5.2 "The Private Placement".

Except for the significant changes described above, there have been no significant changes in the financial or trading position of Magseis since 31 December 2017.

9.4 SEGMENT INFORMATION

The Company is operating in one segment being geophysical surveys with respect to products and services. Accordingly, all significant operating decisions are based upon analysis of Magseis as one segment. The financial results from this segment are equivalent to the financial statements of Magseis as whole.

9.5 CONSOLIDATED KEY FINANCIAL FIGURES

The table below sets out certain key financial figures and operating information for the Company on a consolidated basis.

In USD thousand	**Three months ended 31 December**		**Year ended 31 December**		
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(audited)*	**2015** *(audited)*
Profit and loss					
Revenues	4,752	20,024	73,877	58,905	40,671
Cost of sales	5,454	11,111	35,700	39,038	31,427
EBITDA	-4,514	5,532	26,136	8,506	-2,347
EBIT	-8,025	1,894	10,292	-11,114	-15,637
Net profit/loss	-9,787	58	6,696	-16,695	-16,510
Basic earnings per share	-0.16	0.00	0,11	-0.44	-0.58
Financial position					
Total assets			123,549	86,665	72,830
Total liabilities			28,509	37,620	19,169
Total equity			95,040	49,045	53,661
Equity ratio			76.9%	56.6%	73.7%
Cash flow					
Net cash flow from operating activities			21,549	-2,117	-3,625

Definitions of financial key figures:

Basic earnings per share: Profit/loss of the year / Weighted average number of ordinary shares.

Equity ratio: Book equity at period end / Total assets at period end.

Alternative Performance measures (APMs): The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. The Company has defined and explained the purpose of the following APMs;

EBITDA: EBITDA means Earnings before interest, taxes, amortisation, depreciation and impairments. Magseis has included EBITDA as a supplemental disclosure because management believes that the

measure provides useful information regarding the Company's ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

EBIT (Operating Profit): Earnings before interest and tax is an important measure for Magseis as it provides an indication of the profitability of the operating activities.

The EBIT margin presented is defined as EBIT (Operating Profit) divided by net revenues.

Backlog: Backlog is defined as the total value of future revenue from signed customer contracts. Management believes that the backlog figure is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

9.6 AUDITORS

The Company's auditor is Deloitte AS (Dronning Eufemias gate 14, N-0191 Oslo, Norway). Deloitte AS was elected as the Company's independent auditor at the Annual General Meeting on 22 June 2017. The background for the proposal for appointment of a new auditor was that the Company ahead of the General Meeting completed a bidding round from different auditor firms. The audit committee proposed that Deloitte AS should be elected as the new auditor. Deloitte AS is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*).

KPMG AS (Sørkedalsveien 6, N-0369 Oslo, Norway) was the Company's auditor until Deloitte AS was appointed on 22 June 2017. Accordingly, the Financial Statements for the years ended 31 December 2016 and 2015 have been audited by KPMG AS, and the auditor's reports are included together with the Financial Statements as incorporated by reference hereto, see Section 15.2 "Incorporation by reference". Deloitte AS and KMPG AS have not audited, reviewed or produced any report on any other information provided in this Prospectus.

10 RELATED PARTY TRANSACTIONS

This Section provides information certain transactions which the Company is, or has been, subject to with its related parties during the two years ended December 31, 2017 and 2016 and up to the date of this Prospectus. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Company pursuant to IAS 24 "Related Party Disclosures".

Geo Innova AS which is an entity controlled by Mr. Gateman (SVP and member of the Board of Directors), transacted with the Company in the periods ended 31 December 2017, 2016 and 2015. Mr. Gateman is a founder and a large shareholder of the Company. He is currently engaged as an independent contractor (Senior Vice President) as well as being a member of the Board of Directors. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

In 2013 Westcon became the largest shareholder of Magseis ASA and today is the second largest shareholder. The Group has entered into the following agreements with Westcon:

- In 2013 the Group entered into a vessel lease agreement (Bimco 20015 Supplytime) with fixed lease term of 5.25 years with an option for a 2 year extension. At 31 December 2017 the remaining life of the lease is 1.0 years. For the first 3 months of the lease, the Group paid a discounted rate which is recognised as a reduction to the operating lease expense on a straight line basis over the lease term. The balance of this deferred lease discount is USD 0.9 million at 31 December 2017 (2016: USD 0.9 million).
- In 2013, the Group entered into a sale & leaseback agreement regarding some of its seismic equipment. The lease term was 5 years and 2 months which reflects the leased assets economic life. The interest rate implicit in the lease (yearly effective interest rate) is 10.6%. The sale resulted in a gain of NOK 0.6m which is amortised on a straight-line basis over the lease term. At 31 December 2017 the remaining life of the sale & leaseback agreement is 1.0 years and 11 months.
- In November 2015, the Group entered into a time charter with Westcon for a source vessel. The minimum lease term was 77 days.

As of the date of this Prospectus, Westcon owned 5,661,436 shares in the Company corresponding to 7.3% of the issued share capital taking into account the issuance of the Private Placement Shares. The terms and conditions of the transactions with Westcon are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

A number of key management persons and board members, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transaction with management persons, board members and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis. The aggregate value of transactions and outstanding balances related to key management personal and entities over which they have control or significant influence were as follows:

In USD thousand		**Transaction value**		**Balance oustanding**	
		31 December		31 December	
Name	Transactions	2017	2017	2017	2017
J B Gateman[1]	Consultant costs	167	167	0	0
Westcon Group[2]	Leases	19,783	21,928	1,586	3,470
Westcon Group[2]	Other services	0	891	0	0
Total		**19,950**	**22,986**	**1,586**	**3,470**

1 Jan B Gateman is engaged as an independent consultant as Senior Vice President.

2 Relates to time charters for one vessel and a sale and leaseback arrangement. As part of the time charter agreement for Artemis Athene, Westcon Group also delivers Marine Management services. As at 31 December 2017 the remaining time charter lease term is 1 year and the sale and leaseback is 11 months.

11 LIQUIDITY AND CAPITAL RESOURCES

The information should be read in conjunction with Section 10 "Selected Operation and Financial Information" and the financial statements which are incorporated by reference in this Prospectus, please see Section 15.2 "Incorporation by reference". The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences to these Forward-looking Statements include those discussed in Section 2 "Risk Factors", see also Section 4 "General Information".

11.1 CONSOLIDATED CASH FLOW

Cash flow from operating activities in 2016 was USD -2.1 million. The deviation from EBITDA (negative USD 6 million) is related to tax and payments and working capital. The net cash outflow from investing activities amounted to USD -1.49 million. Investments included USD 39.4 million in seismic equipment acquisitions and USD 2.1million in prepayments for further seismic equipment. Cash flow from finance activities was USD 31.2 million which included USD 39.0 million in net proceeds from a share issue in March 2016 and April 2017 and USD 7.8 million in repayments, USD 1.3 million in interest payments and USD 0.9 million non-interest bearing additional financing received for the Node Deployer project. As of end of December 2017, cash and cash equivalents was USD 29.8 million, of which USD 0.4 million was restricted.

Main changes in cash and cash equivalents up to the date of this Prospectus relate to new equity capital of NOK 300 million which was approved at the Board meeting held on 25 January 2018 and the extraordinary general meeting on 16 February 2018. Furthermore, total committed capital and operational expenditure investments in 2018 are estimated at USD 58.8 million, as referenced in Section 12.5 "Investments".

11.2 WORKING CAPITAL STATEMENT

As of the date of this Prospectus, the Company is of the opinion that the Group's working capital is sufficient for its present requirements and, in particular, is sufficient for at least the next twelve months from the date of this Prospectus.

Key ratios

The table below sets forth some consolidated key ratios for Magseis as of 31 December 2017, 2016 and 2015.

Key ratios	2017	2016	2015
Working capital ratio[1]	3.18	1.69	1.64
Debt to equity ratio[2]	0.09	0.25	0.06
Solidity[3]	0.88	0.76	0.90

1 Current assets/current liabilities.

2 Total interest bearing debt/total equity plus total interest bearing debt.

3 Equity/total capital (Equity + total non-current liabilities).

11.3 FUNDING STRUCTURE, RESTRICTIONS ON THE USE OF CAPITAL FOR THE GROUP

The Group raised in April and in May 2016 new equity capital of NOK 100 million in a private placement and a subsequent repair offering. During Q3 2016 the Company entered into additional secured debt financing for an equipment purchase loan facility from Export Credit Norway in the amount of USD 4.4 million and additional secured debt financing from Innovation Norway (the Norwegian government's investment vehicle for stimulation of entrepreneurial development) in the amount of USD 4.9 million.

In March and April 2017, the Group raised new equity capital of NOK 332 million in a private placement and subsequent repair offering.

As of 31 December 2017, the Company was funded by USD 141.9 million in share capital and share premium and had a net total equity capital of USD 95.0 million. The Company had USD 9.0 million in interest-bearing debt of which USD 6.2 million was non-current and USD 2.8 million was current. The interest-bearing debt consisted of long term loans from Export Credit Norway and Innovation Norway. Non-interest-bearing debt amounted to USD 19.5 million whereof USD 6.8 million was non-current which consists primarily of financing for research & development of the node deployer, and USD 12.6 million was current. In addition the Company held USD 29.8 million in cash, up from USD 19.0 million on 31 December 2016. The Company's cash and cash equivalents consisted solely of deposits with banks. The Company has no undrawn credit facilities. The Company's cash is held in NOK, USD, SGD, MYR, SAR, SEK and GBP. The Company's functional currency is USD as the majority of revenue and costs have been in USD. However, for the current contract with BGP Arabia in Saudi Arabia the compensation is paid in SAR. In order to protect against unforeseen currency fluctuations in the USD/SAR exchange rate the Company has purchased USD call / SAR put options. The costs for these are expensed across the duration of the project.

The Group has contracted backlog to August 2018 with an extension for further work during 2017 on its primary vessel Artemis Athene and is undertaking tenders for the continuation of work in the Red Sea. On 5 December 2017, the Company announced that it has, together with its partner BGP, been awarded an extension to the on-going contract with BGP Arabia and Saudi Aramco to acquire additional ocean bottom seismic data block in the Red Sea. The project has an expected duration of 8 months and has commenced January 2018. In addition, the Company has been awarded a small survey for its MASS Modular system during the 2018 North Sea summer season.

The Company has undertaken multiple tenders for a significant volume of work for the 2018 and 2019 seasons to support the continued expansion of its operations. The Company is in the tender process to secure various parallel operations for its MASS Modular system technology, in addition to securing operations for a second cable vessel.

The Board expects that the Group will have the ability to grow further as the backlog and position in the Ocean Bottom Seismic ("OBS") market continues to develop.

The adequacy of available funds will depend on many factors, including but not limited to the further growth of the business, capital expenditures, market developments and operational performance. The Company may be required to issue parent company, bank or performance guarantees/bonds as part of its regular business which may require the Company to restrict a corresponding amount of cash.

As part of the loan agreement with Export Credit Norway certain key covenants are included. These covenants require Magseis to maintain maximum ratio of net debt to LTM rolling EBITDA of 5.0x, a minimum equity ratio of 30% and a minimal liquidity of USD 5.0 million. The covenants are tested biannually, at half year and at year-end. In addition to the above, the loan agreement with Innovation Norway specifies one additional covenant of a positive Working Capital of NOK 25 million or more. The Group was in compliance with debt covenants per December 2017.

As of the date of this Prospectus, the Company is not aware of any restrictions on transfer of funds from its subsidiaries other than general requirements and restrictions related to dividend capacity and distributions under Norwegian company law.

11.4 CAPITALIZATION AND INDEBTEDNESS

The following tables set forth the unaudited capitalization and indebtedness of Magseis as per 31 December 2017 and the date of this Prospectus (adjusted to give effect to the Private Placement of NOK 300 million (using a USD/NOK exchange rate of 7.6816)). The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 "Selected Operating and Financial Information" and the Company's financial information and the notes thereto, which are incorporated by reference to this Prospectus, see Section 15.2 "Incorporation by Reference".

In USD thousand	**Magseis ASA Group 31.12.2017**	**Adjustments**	**As of date of Prospectus**
Total Current debt:	**15,460**	**0**	**15,460**
Guaranteed	0	0	0
Secured[4]	2,810	0	2,810
Unguaranteed / Unsecured[5]		0	
Total Non-Current debt (excluding current portion of long-term debt):	**13,049**	**0**	**13,049**
Guaranteed	0	0	0
Secured[6]	6,212	0	6,212
Unguaranteed / Unsecured[7]	6,837	0	6,837
Shareholder's Equity:	**95,040**	**39,054**	**134,094**
a. Share Capital	438	108	546
b. Legal Reserve	141,486	38,946	180,433
c. Other Reserves	-46,884	0	-46,884
Total Capitalization	**123,549**	**39,054**	**162,603**

Indebtedness

In USD thousand	**Magseis ASA Group 31.12.2017**	**Adjustments**	**As of date of Prospectus**
A. Cash	29,410	39,054	68,464
B. Cash equivalents	0	0	0
C. Restricted cash	366	0	366
D. Liquidity (A)+(B)+(C)	**29,776**	**39,054**	**68,830**
E. Current financial receivables	**913**	**0**	**9,137**
F. Current bank debt	0	0	0
G. Current portion of non-current debt[8]	2,810	0	2,810
H. Other current financial debt[9]	6,010	0	6,010
I. Current financial debt (F)+(G)+(H)	**8,821**	**0**	**8,821**

[4] "Other current liabilities" less unsecured interest bearing debt and other non-interest bearing liabilities.

[5] "Current liabilities" less secured current debt.

[6] "Obligation under finance lease" + "Other non-current financial liabilities" less non-interest bearing debt.

[7] "Non-current liabilities" less secured non-current debt.

[8] Current portion of interest bearing debt ("Other current liabilities" less non-interest bearing debt elements).

[9] "Trade payables".

In USD thousand	**Magseis ASA Group 31.12.2017**	**Adjustments**	**As of date of Prospectus**
J. Net current financial indebtedness (I)-(E)-(D)	**-30,092**	**-39,054**	**-69,146**
K. Non-current bank loans	0	0	0
L. Bonds issued	0	0	0
M. Other non-current loans[10]	6,212	0	6,212
N. Non-current financial indebtedness (K)+(L)+(M)	**6,212**	**0**	**6,212**
O. Net financial indebtedness (J)+(N)	**-23,880**	**-39,054**	**-62,934**

The secured current and long-term debt comprises of three facilities.

- A sale & leaseback agreement with Westcon Group (related party) regarding some of its seismic equipment. The lease term is 5 years and 2 months which reflects the leased assets economic life. The interest rate implicit in the lease (yearly effective interest rate) is 10.6% (using a USD/NOK exchange rate of 5.990 at the time of the conversion to USD as a functional currency for the Company). At 31 December 2017, the remaining life of the sale & leaseback agreement was 1 year and 11 months.
- A long term loan agreement with Export Credit Norway drawn in August 2016. The loan repayment period is 5.5 years with a biannual repayment scheduled which started February 2017. An upfront margin of 3.5% was rolled into the loan upon drawdown and the subsequent annual interest rate was 2.06%. At 31 December 2017 the remaining life of the loan is 3 years and 8 months.
- A long term loan agreement with Innovation Norway drawn in September 2016. The loan repayment period is 5.5 years with a biannual repayment scheduled which started July 2017, and an effective annual interest rate of 4.49%. At 31 December 2017 the remaining life of the loan is 4 years and 10 months.

The loan agreements with Export Credit Norway and Innovation Norway involve financial covenants as described in Section 12.3 "Funding structure, restrictions on the use of the capital of the Group".

In addition to the above, the Company has an agreement with Shell Global Solutions regulating funding provided for a joint R&D project. The agreement contains certain provisions for repayment of such funding through a royalty and the implicit return of such agreement is calculated on a quarterly basis and expensed as interest costs. The total amount of funding is recorded as a non-current liability but has been excluded from the table above as it is contingent upon commercialisation of the R&D project. At 31 December 2017 and the date of the Prospectus, the Company has no indirect nor further contingent indebtedness.

11.5 INVESTMENTS

11.5.1 Principal investments

The Company's investment activities relate to developing its OBS proprietary system through research and development and production of seismic equipment. The Company incurs costs directly attributable to the design, production and testing of new and improved OBS equipment. These costs are capitalized as intangible assets and seismic equipment and are amortized and depreciated over the estimated useful lives of the assets. Purchased seismic equipment is split in two main categories:

[10] Non-current portion of interest bearing debt ("Obligation under finance lease" + "Other non-current financial liabilities" less non-interest bearing debt).

(1) Seismic equipment used on the seabed;
(2) Seismic equipment under construction is mainly Nodes under development

Initial investments in seismic equipment were made in 2012 and 2013. Investments made during 2014 and 2015 were primarily related to upgrading capacity (primarily increasing the number of sensors and cable inventory) on Artemis Athene as well as introducing the second generation of MASS sensor technology. Investments in 2016 involved the conversion of sensors to the second generation of MASS technology and the acquisition of new seismic equipment for the capacity requirements of the Saudi Aramco survey. Investments in 2017 included the development and acquisition of modular handling equipment to support operations of a second crew, and the expansion of its sensor inventory.

As of the date of prospectus, investments in 2018 have been carried out to, and are expected to, involve the continuation of the Company's sensor inventory expansion, and the acquisition of new seismic and handling equipment to support its growth for multiple operations and the development of a second cable vessel.

The Company's Research & Development strategy has remained constant since the start of operations which is to continuously develop its proprietary small sized, long life MASS system to improve efficiency and enable expansion into related areas.

The table below provides an overview of the Company's investment activities for the period ended 31 December 2017, 2016 and 2015, and year-to-date 2018.

In USD thousand	**2018 (*to date of Prospectus*)**	**2017**	**2016**	**2015**
Intangibles	0	214	2 572	2,075
Seismic equipment (1)	4	21,166	11,752	21,852
Seismic equipment under finance lease (1)[1]	0	0	0	0
Seismic equipment under construction (2)	5,326	18,233	2,032	-11
Office machines	5	261	29	67
Total capital expenditure investments	**5,335**	**39,874**	**16,385**	**12,443**
Research & Development 1[2]	46	2,002	2,022	2,056
Multi-Client Library	0	0	0	4,383
Total operational expenditure investments	**5,381**	**41,876**	**18,407**	**18,882**

1 Seismic equipment under finance lease comprises a package of equipment (including winches) that was subject to a sale, leaseback transaction with Westcon during 2013. No new agreements like this have been entered into during 2014 – 2015.
2 Research & development expensed in the profit and loss.

11.5.2 Future commitments and plans

As at the date of this Prospectus the Company has committed investments to expand its sensor inventory to support multiple operations for the 2018 and 2019 period as well as commitments towards further growth. The Company also has committed investments in handling equipment for multiple operations. The table below provides an overview of the already committed investments as well as planned investments and when these will fall due for payment.

In USD thousand	**2018 committed**	**2018 planned**	**2019**	**Total**
Intangibles	3,329	2,777	12,327	18,433
Seismic equipment	32,994	19,744	0	52,738
Total capital and operational investments	36,323	22,522	12,327	71,171

Seismic equipment investments in 2018 primarily include finished sensor acquisitions of USD 10.8 million, MASS equipment of USD 13.3 million for the future growth, and handling equipment of USD 28.1 million to support the development of a second cable vessel in operation. Intangible investments

in 2018 and 2019 are represented with multiple research and development projects to support further growth initiatives and productivity improvements. The Intangible investment outlook for 2018 is comprised of USD 3.0 million in internal capitalised costs and USD 3.1 million in external costs. Intangible investments for 2019 will be comprised of USD 3.1 million in internal capitalised costs and USD 9.2 million in external costs. Total committed capital and operational investments amount to USD 36.3 million as of the date of this Prospectus.

Intangible investments are largely with Nordic suppliers, and approximately 60% of seismic equipment acquired in 2018 is manufactured or provided by Nordic suppliers. Other remaining seismic equipment parts originate from North-America and other European nations.

The planned investments will be financed through the proceeds from the Private Placement. On-going committed investments for 2018 are being financed from the Company's cash balance.

11.6 SIGNIFICANT CHANGES AND TRENDS SINCE THE LAST REPORTING DATE

The Company has not experienced any significant changes or trends within or outside ordinary course of business that are material to the Company between 31 December 2017 and the date of this Prospectus, nor is the Company aware of such changes or trends that may or are expected to be signification to Magseis for the current financial year.

Please also see Section 8 "Market Overview" and Section 13 "Share Capital and Shareholder Matters" for more information about significant historic trends in the Company's business and relevant markets.

12 SHARE CAPITAL AND SHAREHOLDER MATTERS

The following description includes certain information concerning the Group, the Shares and share capital of the Company, a brief description of certain provisions contained in the Company's Articles and applicable Norwegian law in effect as of the date of this Prospectus. Any change in the Articles is subject to approval by a General Meeting of shareholders. This summary does not intend to be complete and is qualified in its entirety by the Company's Articles of Association and applicable Norwegian law.

12.1 SHARE CAPITAL AND SHARES

12.1.1 General

Magseis is a public limited liability company (*Nw.: allmennaksjeselskap*) organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with business registration number 994 547 852. The Company's registered address is Dicks vei 10b, N-1366 Lysaker, Norway and telephone number +47 23 36 80 20.

12.1.2 Share capital

As of the date of this Prospectus, and following the Private Placement, the Company's registered share capital is NOK 3,877,952.90, comprising of 77,559,058 Shares, each with a nominal value of NOK 0.05. All Shares are authorised and fully paid.

The Company has only one class of shares, each Share carrying equal shareholder rights. At the Company's General Meetings, each share carries one vote.

The Company's Articles does not provide for limitations on the transferability or ownership of Shares.

The Shares have been created under the Norwegian Public Limited Liability Companies Act and registered in book-entry form with the VPS under the International Securities Identification Number (ISIN) NO 0010663669, except for the Tranche 2 Shares which are registered on a separate ISIN NO 0010816499 pending approval and publication of this Prospectus. The registrar for the shares is DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

As of the date of this Prospectus, the Company does not own any treasury shares, and the Company has not issued any warrants or convertible loans.

12.1.3 Authorisation to acquire treasury shares

In the annual general meeting of the Company held on 22 June 2017, the Board was granted the following authorisation to purchase own shares:

- The Board of Directors is authorized to acquire the Company's own shares up to an aggregate nominal value of NOK 304,461. The lowest price to be paid per share shall be NOK 10, and the highest price per share shall be NOK 30. The Board of Directors shall primarily seek to conduct the share buy-back through market transactions at market price, this can however be deviated from within the scope of applicable stock exchange and securities regulations. The authorisation is valid until the annual general meeting in 2018.

12.1.4 Authorisations to issue new Shares

The Board of Directors has the following authorization to increase the share capital and to issue shares in the Company, all valid up to 30 June 2018:

- An authorization to increase the Company's share capital with up to NOK 130,472.15. The authorization can be used to issue new Shares in relation to the Company's option and bonus programs existing at any time. The authorization cannot be used to issue more shares than which represent 6.9% of the registered share capital at the time of application.

- An authorization to increase the Company's share capital with up to NOK 138,888.90 contemplated to be used for the purposes of the cancelled Subsequent Offering, see Section 5.1 "The purpose of the Private Placement and use of proceeds".

As of the date of this Prospectus, the Board of Directors has not used any of the abovementioned authorizations.

As at the date of this Prospectus, the Board of Directors does not have any authorisations to issue warrants (*Nw.: frittstående tegningsretter*) or convertible loans.

12.1.5 Options

Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

List of outstanding options	2016	Weighted average exercise price (USD)	2015	Weighted average exercise price (USD)
Outstanding at 1 January	1,984,520	2.43	1,717,520	2,35
Options granted	530,000	1.53	267,000	24,54
Options exercised	-14,000	2.53	0	0
Options forfeited	-34,000	2.63	0	0
Outstanding on 31 December	2,466,520		1,984,520	
Exercisable at 31 December	1,627,829	2.38	926,720	2,26

At 31 December 2016, 2,466,520 options were outstanding of which 1,627,820 were exercisable and have an exercise price in the range of USD 1.13 to USD 2.95 and a weighted average contractual life of 1.34 years. The options granted but currently un-exercisable can be exercised between 1.2 and 3.0 years after the date of this Prospectus.

At 31 December 2017, 1,120,000 options were outstanding of which 60,500 were exercisable and have an exercise price in the range of USD 1.50 to USD 3.00 and a weighted average contractual life of 1.62 years. The options granted but currently un-exercisable can be exercised between 1.2 and 3.0 years after the date of this Prospectus.

Outstanding share options to executives, management and senior employees as at the date of this Prospectus are as follows:

- Jan Gateman has been allocated 175,000 options of which all 15,000 options were outstanding and 150,000 were exercisable at the date of this Prospectus. Outstanding options have a weighted remaining option life and exercise period of 1.17 years. The exercise price is NOK 22.00.
- Ivar Gimse has been allocated 515,000 options of which 265,000 options were outstanding and 87,500 were exercisable at the date of this Prospectus. Outstanding options have a weighted remaining option life and exercise period of 1.30 years. The weighted exercise price is range of NOK 13.70-22.00.
- Mikkel Ektvedt has been allocated a total of 281,580 options of which all 75,000 options were outstanding and 78,000 were exercisable at the date of this Prospectus. Outstanding options have a remaining option life and exercise period of 0.98 years. The exercise price range is NOK 22.00 – 23.75.
- Bjørn Jensen has been allocated a total of 125,000 options of which all 125,000 options were outstanding and 102,500 were exercisable at the date of this Prospectus. Outstanding options have a remaining option life and exercise period of 2.23 years. The exercise price range is NOK 15.65 – 25.

- Nils Heieren has been allocated a total of 76,000 options of which 28,000 options were outstanding and 4,000 were exercisable at the date of this Prospectus. Outstanding options have a remaining options life and exercise period of 2.23 years. The exercise price range is NOK 15.65-22.00.
- Per Christian Grytnes has not been allocated any options.
- Senior employees have been allocated a total of 332,000 options of which all 332,000 options were outstanding and 141,500 were exercisable at the date of this Prospectus. Outstanding options have a remaining option life and exercise period of 1.26 years. The exercise price range is NOK 15.30-23.75

Except for the options described above and in Section 9.4.3 "Shares and Options held by Members of the Board of Directors and the Executive Management" and as regards Executive Management as described in Section 9.7.1 "Employee Incentive Scheme", the Company has not issued any options.

12.1.6 Transferability and foreign ownership

There are no restrictions on trading in the Company's Shares and no restrictions on foreign ownership of the Company's Shares.

12.1.7 Legislation and rights attached to the Shares

Reference is made to the review of legislation and rights attached to the Company's Shares in Section 13.5 "Articles of Association and general shareholder matters".

12.1.8 Mandatory offers

Reference is made to Section 13.8 "Mandatory offer requirement" which outlines the legislation on mandatory offers applicable to Norwegian companies listed on Oslo Børs and Oslo Axess. The Company has not been subject to any public take-over bids the last 12 months.

12.2 HISTORICAL DEVELOPMENT IN SHARE CAPITAL AND NUMBER OF SHARES

The table below sets forth the development of the Company's share capital since 1 January 2015 and up to the date of this Prospectus (all figures in NOK).

Date	Description of issuance	Change in share capital	Par value per share	Issue price	Share capital after change	No. of Shares after change
24/04/14	Share issue	252,632	1	475	1,305,931	1,305,931
24/04/14	Share issue	1,642	1	475	1,307,573	1,307,573
27/05/14	Share split (1:20)	0	0.05	0	1,307,573	26,151,460
25/06/14	Loan conversion		0.05	23,75	1,358,128.05	27,162,561
11/06/15	Share issue	132,772.65	0.05	22	1,490,900.70	29,818,014
06/05/16	Share issue	340,000	0.05	12.50	1,830,900.70	36,618,014
30/05/16	Share issue	60,000	0.05	12.50	1,890,900.70	37,818,014
27/03/17	Share issue	22,650,000	0.05	15	3,023,400.70	60,468,014
20/04/17	Share issue	1,150	0,05	9.70	3,024,550.70	60,491,014
20/04/17	Share issue	20,068.85	0.05	15	3,044,619.55	60,892,391
25/01/18	Share issue	304,461.95	0.05	18	3,349,081.50	66,981,630
16/02/18	Share issue	528,871.40	0.05	18	3,877,952.90	77,559,058

Note: NOK, except for number of shares.

As of 1 January 2016, the Company had a total number of Shares of 38,818,014, each with a nominal value of NOK 0.05.

As of 1 January 2017, the Company had a total number of Shares of 60,892,391, each with a nominal value of NOK 0.05.

12.3 MAJOR SHAREHOLDERS

The table below shows the Company's 20 largest shareholders as of 1 March 2018. The table includes the Tranche 2 Shares which are registered in the VPS under a separate securities number pending the publication of this Prospectus.

Shareholder	Number of shares	%
ANFAR INVEST AS	6,196,856	8.0%
WESTCON GROUP AS	5,661,436	7.3%
AS CLIPPER	4,731,022	6.1%
GEO INNOVA AS	4,613,382	5.9%
KLP AKSJENORGE	2,907,948	3.7%
JPMORGAN CHASE BANK, N.A., LONDON	2,751,152	3.5%
JPMORGAN CHASE BANK, N.A., LONDON	2,645,638	3.4%
REDBACK AS	2,333,333	3.0%
BARRUS CAPITAL AS	2,292,351	3.0%
VPF NORDEA NORGE VERDI	2,044,353	2.6%
KOMMUNAL LANDSPENSJONSKASSE	1,948,780	2.5%
VPF NORDEA KAPITAL	1,549,165	2.0%
INVESCO PERP EURAN SMLER COMPS FD	1,437,991	1.9%
CITY FINANCIAL ABSOLUTE EQUITY FD	1,280,399	1.7%
VPF NORDEA AVKASTNING	1,256,607	1.6%
STATOIL PENSJON	1,235,697	1.6%
HAWK INVEST AS	1,103,723	1.4%
DANSKE INVEST NORGE VEKST	1,049,000	1.4%
BERNT HOLDING AS	1,000,000	1.3%
GNEIS AS	930,380	1.2%
EUROCLEAR BANK S.A./N.V.	859,879	1.1%
NORDA ASA	835,000	1.1%
Total 20 largest shareholders	**50,664,092**	**65.3%**
Other shareholders	26,894,966	34.7%
Total outstanding shareholders	**77,559,058**	**100.0%**

All the Shares are equal in all respect and the shareholders of the Company have equal rights, including rights to dividends and voting rights. Each share in the Company carries one vote and none of the Company's shareholders have different voting rights. None of the major shareholders have different voting rights than the other shareholders of the Company.

See Section 12 "Share Capital and Shareholder matters", in particular Sections 12.5, 12.6 and 12.7 thereof, and Section 13 "Securities Trading in Norway" below for a further review of rights attached to the Shares.

To the Company's knowledge, there are no arrangements which may at a subsequent date result in a change of control of the Company.

The Company is not aware that the Company is controlled or owned, directly or indirectly, by any Shareholder or related Shareholders.

12.4 DISCLOSURE OF NOTIFIABLE SHAREHOLDINGS

As of 1 March 2018, and taken into account the Private Placement Shares, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5% or more of the issued share capital of the Company (which constitutes a notifiable holding under the Norwegian Securities Trading Act): Anfar Invest AS, Westcon Group AS, AS Clipper and Geo Innova AS.

All of the Company's Shares carry one vote each. None of the major shareholders have different voting rights than the other shareholders of the Company.

The Company is not aware of any arrangements, the operation of which may at a date subsequent to the date of this Prospectus result in a change of control in the Company.

12.5 ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS

12.5.1 General

The Company's Articles are included as Appendix A to this Prospectus.

The following is a summary of certain provisions of the Articles of Association, some of which have not been addressed in the preceding sections.

12.5.2 The Company's objective

Pursuant to article 3 of the Company's Articles of Association, the Company's object include development of geophysical equipment and methods, generation, marketing and sale of exclusive and non-exclusive geophysical exploration and other thereto naturally related activities.

12.5.3 No Restriction on Transfer of Shares

The Articles do not provide for any right of first refusal for the Company's shareholders or any other restrictions on transfer of Shares. Share transfers are not subject to Board of Directors approval.

Rights, preferences and restrictions attaching to shares are set out in the Norwegian Public Limited Companies Act. The Articles do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Public Limited Companies Act.

12.5.4 Nomination committee

The Company shall have a nomination committee consisting of two or three members. The members of the nomination committee shall be shareholders or representatives of shareholders. The nomination committee shall give the General Meeting its recommendations regarding the election of board members to be elected by the shareholders, the remuneration to the board members, the election of members of the nomination committee and the remuneration of the nomination committee. The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee's period of service shall be two years unless the General Meeting decides otherwise.

12.5.5 The Board of Directors and signatory rights

Pursuant to section 5 of the Articles, the Board of Directors shall consist of three to five members. The chairman of the board of directors is elected by the general meeting.

The right of signature lies with two board members jointly or by the chief executive officer alone. The board may grant power of procuration.

12.5.6 Voting rights and shareholders rights

The Company has one class of shares and each share carries equal voting rights at the general meeting. The Articles do not set forth additional conditions with regard to changing the rights of shareholders other than required by the Norwegian Public Limited Companies Act.

The shares are not subject to redemption rights with the exemption provided for below under Section 13.9 "Compulsory Acquisition". There are no conversion provisions applicable to the Shares.

12.5.7 General Meetings

Pursuant to Section 6 of the Articles of Association, an owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares shall within two working days before the General Meeting

provide the Company with his name and address together with a confirmation from the custodian to the effect that he is the beneficial owner of the shares held in custody, and provided further the Board of Directors shall not disapprove such beneficial ownership after receipt of such notification in accordance with Section 6 of the Articles of Association.

Documents that shall be addressed at the General Meeting may be published on the Company's website. The same applies to documents that due to statutory requirements must be attached to or included in the notice. A shareholder can however demand that such documents are sent to him.

The General Meeting shall be chaired by the Chairman of the Board of Directors.

12.6 CERTAIN ASPECTS OF NORWEGIAN LAW

12.6.1 Voting Rights; Amendments to the Articles of Associations

Each of the Company's Shares carries one vote. In general, resolutions that shareholders are entitled to make pursuant to the Norwegian Public Limited Liabilities Companies' Act or the Company's Articles may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to derogate from the shareholders preferential rights to subscribe in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles or to authorize an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the aggregated number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Company's Articles.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares, require a majority vote of at least 90% of the share capital represented at the General Meeting in question as well as the majority required for amendments to the Company's Articles. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles. Changes to or exemptions from the Articles of the Company regarding the distribution of the maximum allowed dividend requires the support of at least nine tenths of the votes cast and of the share capital represented at the general meeting.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS or provide proof of its beneficial ownership. Beneficial owners of Shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such Shares are registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such Shares. The Company's Articles of Association sets out that an owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares shall within two working days before the General Meeting provide the Company with his name and address together with a confirmation from the custodian to the effect that he is the beneficial owner of the shares held in custody, and provided further the Board of Directors shall not disapprove such beneficial ownership after receipt of such notification in accordance with Section 6 of the Articles of Association.There are no quorum requirements that apply to the General Meetings of the shareholders of the Company.

12.6.2 General meetings

Through the General Meeting, the Company's shareholders exercise the supreme authority in the Company, subject to the limitations provided by Norwegian law. All shareholders in the Company are

entitled to attend and vote at General Meetings, either in person or by proxy. See "Voting rights" with regard to certain restrictions on voting right applying for nominee registered shares, etc. General meetings are conveyed by the Company's Board of Directors.

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to June 30. Norwegian law requires that written notice of General Meetings setting forth the time, date and agenda of the meeting be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. The notice shall include a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at General Meetings provided such proposals are submitted in writing to the Board of Directors in such time that it can be entered on the agenda of the meeting. The Company's Articles contain notice requirements for attending a general meeting; see "Articles of Association" with regard to further instructions.

The ordinary General Meeting shall deal with and decide on the approval of the annual financial statement and directors' report, including the distribution of any dividend, and such other matters as may be set out in the notice of the meeting.

Apart from the Annual General Meeting, Extraordinary General Meetings of shareholders may be called by the Board of Directors. In addition, the Board of Directors shall call an Extraordinary General Meeting whenever so demanded in writing by the auditor or shareholders representing at least 5% of the Company's share capital, in order to deal with a specific subject. The requirements for notice and admission to the Annual General Meeting of the Company's shareholders also apply for Extraordinary General Meetings of shareholders.

12.6.3 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the shareholders passed by 2/3 of the aggregate votes cast at a general meeting. A merger plan or demerger plan signed by the board of directors along with certain other required documentation would have to be sent to all shareholders at least one month prior to the shareholders' meeting.

12.6.4 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to its Articles. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe to issues of new shares. The preferential rights to subscribe to an issue may be waived by a resolution in a General Meeting passed by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

The General Meeting may, with a vote as required for amendments to the Articles, authorize the Board of Directors to issue new shares, and to waive the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered.

Under Norwegian law, the Company may increase its share capital by a bonus shares, subject to shareholder approval by the Company's shareholders, by transfer from the Company's distributable equity or from its share premium reserve. Any bonus issues may be effectuated either by issuing shares or by increasing the par value of the shares outstanding.

To issue new shares to holders who are citizens or residents of the United States upon the exercise of preferential rights, Magseis may be required to file a registration statement in the United States under United States securities laws. Should the Company decide not to file a registration statement, the Company's US shareholders may not be able to exercise their preferential rights and in such event

would be required to sell such rights to eligible Norwegian persons or other eligible non-U.S. holders to realize the value of such rights.

12.6.5 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

12.6.6 Liability of directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may be held liable by the Company for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to exempt any such person from liability towards the Company, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a majority below that required to amend the Company's Articles, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the Articles, the minority shareholders cannot pursue the claim in the Company's name.

12.6.7 Indemnification of directors

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The members of the Board of Directors are, as part of an insurance coverage covered against certain liabilities that they may incur in their capacity as such.

12.6.8 Distribution of assets on liquidation

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a General Meeting passed by the same majority as required to amend the Articles. The existing Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

12.6.9 Rights of redemption and repurchase of Shares

The share capital may be reduced by decreasing the nominal value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the Articles of

Association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

A Norwegian company may purchase its own shares if an authorization for the board of directors of the company to this effect has been given by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and Shares represented at the meeting. The aggregate nominal value of treasury shares so acquired and held by the company must not exceed 10% of the company's share capital, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the General Meeting cannot be given for a period exceeding two years.

12.7 SHAREHOLDER, DIVIDEND AND DIVIDEND POLICY

12.7.1 Shareholder policy

Any acquisition of own shares will be at market price, and the Company will not deviate from the equal treatment principle as set out in the Norwegian Securities Trading Act section 5-14 and the Continuing Obligations for companies listed on Oslo Børs and Oslo Axess.

12.7.2 Dividend policy

In view of the Company's planned expansion and growth of its business, Magseis may retain all available financial resources and any earnings generated by the operations for use in expanding the business during the next few years. The payment of any dividends in the future would depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects, applicable restrictions on the payment of dividends under Norwegian law and other factors the Board of Directors may consider relevant.

12.7.3 Dividend history

The Company has not declared or paid any dividends since its incorporation.

12.7.4 Procedure for dividend payments

Any potential future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the VPS registrar based on information received from the VPS. Investors with an address outside Norway who have registered a valid bank account with the VPS will receive the dividend payment to the registered bank account while investors who have not registered a bank account with the VPS will receive the dividend payment as a check mailed to the address that the investor has registered in the VPS.

12.7.5 Certain legal constraints on the distribution of dividends

Dividends may be paid in cash or, in some instances, in kind. The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Unless the Company follows the procedures stipulated in Sections 12-4 and 12-6 of the Norwegian Public Limited Liability Companies Act in respect of reduction of share capital, dividends are payable only out of distributable equity of the Company. Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that a company may only distribute dividends to the extent that the company following the distribution still has net assets which provide coverage for the company's share capital and other non-distributable reserves.

- Certain items shall be deducted from the distributable equity, being the total nominal value of treasury shares which the Company has acquired for ownership or pledge prior to the balance sheet date, and credit and security that, pursuant to Sections 8-7 to 8-9 of the Norwegian Public Limited Liability Companies Act, prior to the balance sheet date fall within the limits of distributable equity, provided that such credit and security have not been repaid or cancelled

prior to the resolution date, or a credit to a shareholder to the extent such credit is cancelled by offset in the dividends. In the event the Company after the balance sheet date has carried out any disposals that pursuant to the Norwegian Public Limited Liability Companies Act shall fall within the distributable equity, such disposals shall be deducted from the distributable equity.

- The Company cannot distribute dividends which would result in the Company not having an equity which is adequate in terms of the risk and scope of the Company's business.

- The calculation of dividends shall be on the basis of the balance sheet in the Company's last approved annual financial statements, but the Company's registered share capital at the time of the resolution shall still apply. It is also possible to distribute extraordinary dividends on the basis of an interim balance sheet which is prepared and audited in accordance with the rules for annual financial statements and approved by the General Meeting of the Company. The interim balance sheet date cannot be dated more than six months prior to the resolution by the General Meeting of payment of such extraordinary dividend.

- The amount of distributable dividends is calculated on the basis of the Company's separate financial statements and not on the basis of the consolidated financial statements of the Company and its consolidated subsidiaries

- Distribution of dividends is resolved by a majority vote at the General Meeting of the shareholders of the Company and on the basis of a proposal from the Board of Directors. The General Meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14.2 "Taxation - Foreign Shareholders"

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior governmental approval. However, all payments to and from Norway shall be registered with the Norwegian Currency Registry. Such registration is made by the entity performing the transaction. Further, each physical transfer of payments in currency shall be notified to the Norwegian customs. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made through a licensed bank.

All shareholders that are shareholders at the time the General Meeting makes its resolution are entitled to dividend.

13 SECURITIES TRADING IN NORWAY

As a company listed on Oslo Axess, Magseis is subject to certain duties to inform the market under the Stock Exchange Regulations, and the insider trading regulation of Chapter 3 of the Norwegian Securities Trading Act. Furthermore, the Company is subject to Norwegian securities regulations and supervision by the relevant Norwegian authorities.

The following is a summary of certain information in respect of trading and settlement of shares on Oslo Børs/Oslo Axess, securities registration in Norway and certain provisions of applicable Norwegian securities law, including the Norwegian Securities Trading Act, in effect as at the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.

13.1 TRADING AND SETTLEMENT

The Oslo Stock Exchange comprise two separate trading markets for trading in equities, Oslo Børs, a stock exchange operated by Oslo Børs ASA, and Oslo Axess, a regulated market operated by Oslo Børs ASA.

Trading of equities on Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with a pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), a closing auction between 16:20 hours (CET) and 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 16:30 hours (CET).

The settlement period for trading on Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the European Economic Area (the "EEA"), or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

13.2 INFORMATION, CONTROL AND SURVEILLANCE

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway.

Under Norwegian law, implementing the EU Market Abuse Directive, a company that is listed on a Norwegian regulated market, or that is subject to the application for listing on such market, must promptly release any inside information (i.e., precise information about financial instruments, the issuer thereof, or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

13.3 THE VPS AND TRANSFER OF SHARES

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Stock Exchange s VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (that is, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's General Meeting or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.4 SHAREHOLDER REGISTER

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in General Meetings on behalf of the beneficial owners.

13.5 FOREIGN INVESTMENT IN NORWEGIAN SHARES

Foreign investors may trade shares listed on Oslo Børs/Oslo Axess through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

13.6 INSIDER TRADING

Pursuant to the Norwegian Securities Trading Act, Application for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.7 DISCLOSURE OBLIGATIONS

Pursuant to the Norwegian Securities Trading Act, a person, entity or group acting in concert that acquires or disposes shares or rights to shares (i.e. convertible loans, allocation rights, options for shares or other similar rights to shares) which results in beneficial ownership, directly or indirectly, in the aggregate, reaching or exceeding or falling below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or a corresponding portion of the votes in a company whose shares are quoted on Oslo Børs or Oslo Axess is obligated to notify the Stock Exchange and the company (issuer) immediately.

Certain voting rights are counted on equal basis as shares and rights to shares. A change in ownership level due to other circumstances (i.e. other than acquisition or disposal) can also trigger the notification obligations when the said thresholds are passed, e.g. changes in the company's share capital.

13.8 MANDATORY OFFER REQUIREMENT

The Norwegian Securities Trading Act requires any person, entity or group acting in concert that becomes owner of shares representing more than 1/3 (with a repeated obligation at 40% and at 50%) of the voting rights of a Norwegian company whose shares are listed on a Norwegian regulated market to make an unconditional general offer for the purchase of the remaining shares in the company within four weeks or, within the same period, dispose of a number of voting shares which brings the percentage of voting rights down to or below 1/3. When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Company and the Oslo Stock Exchange accordingly and of whether it will make a mandatory offer or perform a sell-down. A notice informing about a disposal can be altered to a notice of making an offer within the four week period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. The mandatory offer obligation ceases to apply if the person, entity or consolidated group notifies the Company and the Oslo Stock Exchange of its decision to sell down and then sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

An offer is subject to approval by the Oslo Stock Exchange before submission of the offer to the shareholders or made public. The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but at least equal to the market price if it is clear that the market price was higher when the mandatory offer obligation was triggered. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be unconditional and in cash (NOK) but may contain a consideration alternative at least equivalent to the cash consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the offer threshold apart from the right to receive dividends and pre-emption rights in the event of a share capital increase. In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

The Company has not received any takeover bids or bids to acquire controlling interest during the last 12 months.

13.9 COMPULSORY ACQUISITION

Pursuant to the Norwegian Public Limited Companies Act and the Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the Shares as per the effectuation of the compulsory acquisition within the scope of the real value of the Shares.

In event a shareholder, directly or through subsidiaries, exceeds the 90% threshold by way of a mandatory offer in accordance with the Securities Trading Act, and a compulsory acquisition is resolved within three months, then the share price in the compulsory acquisition shall be equal to the price in the mandatory offer if no special circumstances call for a different price. Further, if the 90% threshold is exceeded by way of a voluntary offer, the compulsory acquisition may, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution according to the rules for mandatory offers.

13.10 FOREIGN EXCHANGE CONTROLS

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, cf. Section 0 "Procedure for dividend payments", and there are currently no restrictions that would affect the right of shareholders of a Norwegian company who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14 TAXATION

Set out below is a summary of certain Norwegian tax matters related to the holding of Shares in the Company. The summary is based on Norwegian laws, rules and regulations applicable as of the date of this Prospectus, and may be subject to changes in law occurring after such date. Such changes may be made on a retroactive basis. The summary does not address foreign tax laws.

The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares.

Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (because of domestic tax law or tax treaty) should consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or foreign shareholder refers to the tax residency rather than the nationality of the shareholder.

14.1 NORWEGIAN SHAREHOLDERS

14.1.1 Taxation of dividends

Norwegian Individual Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("Norwegian Individual Shareholders") are taxable to the extent the dividends exceed a tax free allowance. Dividend in excess of the tax free allowance is multiplied with 1.33 and taxed as ordinary income at a flat rate of 23%. The effective tax rate for taxable dividends is hence 30.59%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "statskasseveksler") with three months' maturity. For 2016, this rate for calculating the allowance is set at 0.7%. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Individual Shareholders holding shares as of 31 December of the relevant income year. Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance in one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years. The allowance is provided that the dividends are lawful pursuant to accounting and company law. Otherwise, no allowance will be granted.

Norwegian Corporate Shareholders

Dividends received by shareholders which are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders") are in principle taxable as ordinary income for such shareholder. However, only 3% of dividends on shares qualifying for the participation exemption method should be included in the calculation of ordinary income, provided that the dividends are lawful pursuant to accounting and company law. Otherwise, the dividend is taxed in full as ordinary income. Ordinary income is subject to tax at a flat rate of currently 23%, implying that dividends from shares qualifying under the participation exemption method are effectively taxed at a rate of 0.69%. The participation exemption for Norwegian Corporate Shareholders applies regardless of the number of shares held in the Company.

Shares owned through partnerships

Partnerships are as a general rule transparent for Norwegian tax purposes. Taxation occurs at the level of Norwegian taxable partners, and each Norwegian partner is taxed on a current basis for its proportional share of the net income generated by the partnership at a rate of currently 23%, regardless of whether such income is distributed to the partners or not. However, only 3% of dividends received by the partnership from shares qualifying under the participation exemption method shall be included as ordinary income and taxed at the normal tax rate on the hands of the Norwegian partners, cf. the description of tax issues related to corporate shareholders above.

For partners who are Norwegian individuals additional taxation occurs when the dividends received are distributed from the partnership to such partners. Such distributions are taxable to the extent the distributed amount exceeds a tax free allowance. Distribution in excess of the tax free allowance is multiplied with 1.33 and taxed as ordinary income at a flat rate of 23%. The effective tax rate for taxable distributions is hence 30.59%. The amount of allowance is calculated in the way as the allowance for individual shareholders, ref. above. For partners who are Norwegian companies etc., 3% of the distributions are taxed as ordinary income.

14.1.2 Capital Gains Tax

Norwegian Individual Shareholders

Sale, disproportional redemption or other types of disposal of shares is considered as realization for Norwegian tax purposes. A capital gain generated by a Norwegian Individual Shareholder through realization of shares is taxable in Norway to the extent the gain exceed a tax free allowance. Gain in excess of the tax free allowance is multiplied with 1.33 and taxed as ordinary income at a flat rate of 23%. The effective tax rate for taxable gains is hence 30.59%. A loss is multiplied with 1.23 and is tax deductible from the ordinary income basis with a corresponding tax value of 30.59%. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share.

When calculating the gain, Norwegian Individual Shareholders are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce at taxable dividend income. See "Norwegian Individual Shareholders" under Section 15.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Sale, disproportional redemption or other types of disposal of shares is considered realization for Norwegian tax purposes. Capital gains derived from the realization of shares qualifying for the participation exemption method are exempted from taxation. Losses and related costs incurred upon realization of such shares are not deductible.

Shares owned through partnerships

Partnerships are as a general rule transparent for Norwegian tax purposes, and taxation occurs at partner level on a current basis. Due to the participation exemption method, capital gains on qualifying shares etc. derived by the partnership are not taxed on a current basis.

For partners who are Norwegian individuals taxation occurs when the capital gains received by the partnership are distributed from the partnership to such partners. Such distributions are taxable to the extent the distributed amount exceeds a tax free allowance. Distribution in excess of the tax free

allowance is multiplied with 1.33 and taxed as ordinary income at a flat rate of 23%. The effective tax rate for taxable distributions is hence 30.59%. See "Norwegian Individual Shareholders" under Section 15.1 "Taxation of dividends" above for a description of the calculation of the allowance. For partners who are Norwegian companies etc., 3 % of the distributions are taxed as ordinary income.

14.1.3 Net Wealth Tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian Individual Shareholders. Currently, the marginal wealth tax rate is 0.85% of the value assessed. The value for assessment purposes of shares listed on the Oslo Stock Exchange is the listed value as of 1 January in the year of assessment.

Norwegian Corporate Shareholders are in general not subject to wealth tax.

14.1.4 Inheritance tax

Effective 1 January 2014 there is no inheritance tax in Norway.

14.2 FOREIGN SHAREHOLDERS

14.2.1 Taxation of dividends

Foreign Individual Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("Foreign Individual Shareholders") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% may be reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

Foreign Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (see above), provided that the dividends are lawful pursuant to company law.

Foreign Individual Shareholders who have been subject to a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax withheld.

Foreign Corporate Shareholders

Dividends distributed to shareholders which are limited liability companies not resident in Norway for tax purposes ("Foreign Corporate Shareholders") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% may be reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Foreign Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the shareholder is the owner of the shares for tax purposes and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If the Foreign Corporate Shareholder holds the shares in connection with business activities in Norway, taxation will be as described for Norwegian Corporate Shareholders in Section 15.1 "Norwegian shareholders" above.

Foreign Corporate Shareholders who have been subject to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Foreign Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to the participation exemption rules.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Directorate of Taxes for the dividend to be subject to a lower withholding tax rate.

The withholding obligation in respect of dividends distributed to Foreign Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends.

14.2.2 Capital Gains Tax

Foreign Individual Shareholders

Gains from the sale or other type of disposal of shares in the Company by a Foreign Individual Shareholder will not be subject to taxation in Norway, unless the Foreign Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway.

Foreign Corporate Shareholders

Capital gains derived from the sale or other type of realization of shares in the Company by Foreign Corporate Shareholders are not subject to taxation in Norway.

14.2.3 Net Wealth Tax

Shareholders not resident in Norway for tax purposes are generally not subject to Norwegian net wealth tax. Foreign Individual Shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.2.4 Inheritance tax

Effective 1 January 2014 there is no inheritance tax in Norway.

14.3 DUTIES ON THE TRANSFER OF SHARES

No stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares in Norwegian companies.

15 ADDITIONAL INFORMATION

15.1 SIGNIFICANT HOLDINGS OTHER THAN SUBSIDIARIES

At the date of this Prospectus the Company has no significant holdings other than its subsidiaries.

15.2 INCORPORATION BY REFERENCE

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list set out in the table below. Except as provided in this section, no information is incorporated by reference in this Prospectus.

All the relevant information can be found on the Company's webpage: www.magseis.com/investors/reports.

Section in the Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page in reference document
Section 10, 12	Audited historical financial information (Annex XXV section 20.1)	Annual report 2016 http://www.magseis.com/investor-relations/financial-reports/	18-48
		Annual report 2015 http://www.magseis.com/investor-relations/financial-reports/	17-41
Section 10, 12	Interim financial information (Annex XXV section 20.1)	Q4 2017 http://www.magseis.com/investor-relations/financial-reports/	9-20
		Q4 2016 http://www.magseis.com/investor-relations/financial-reports/	9-20
Section 4, 10	Audit report (Annex XXV, section 20.3)	Annual report 2016 http://www.magseis.com/investor-relations/financial-reports/	49-50
		Annual report 2015 http://www.magseis.com/investor-relations/financial-reports/	43-44

15.3 DOCUMENTS ON DISPLAY

For the life of this Prospectus, the documents listed below, or copies thereof, are referred to and available for inspection at Magseis' homepage www.magseis.com and Magseis' offices at Dicks vei 10B, N-1366 Lysaker, Norway, telephone number: (+47) 213 92 240.

- The Memorandum of Incorporation and Articles of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
- This Prospectus.

15.4 THIRD PARTY INFORMATION

Market and industry data used throughout this Prospectus was obtained from various publicly available or independent third party sources. Although the Company believes that these independent

sources are generally reliable, the accuracy and completeness of such information are not guaranteed and have not been verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and the limitations and uncertainties inherent in any statistical survey of market size or consumer demand. References in this Prospectus to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is not incorporated by reference into this Prospectus. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

16 DEFINITIONS AND GLOSSARY OF TERMS

ABG Sundal Collier	ABG Sundal Collier ASA
Accredited Investor	Accredited Investor as defined under rule 501(A) of the Securities Act
Arctic Securities	Arctic Securities AS
Articles or Articles of Association	The articles of association of Magseis ASA, as amended and restated from time to time
Azimuth	Azimuth in the context of seabed seismic acquisition is the direction between the source and receiver locations
Board or Board of Directors	The board of directors of the Company, as constituted from time to time
CEO	Chief Executive Officer
Code	Norwegian Code of Practice for Corporate Governance
Company or Magseis	Magseis ASA, a Norwegian public limited company
DP	Dynamic Positioning
EGM	Extraordinary general meeting of the Company
EEA	European Economic Area
EU	European Union
EUR	EURO, the currency introduced at the start of the third stage of the Economic and Monetary Union to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
E&P	Exploration & Production
Financial Statements	The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015
Foreign Corporate Shareholders	Shareholders who are limited liability companies not resident in Norway for tax purposes
Foreign Individual Shareholders	Shareholders who are individuals not residents in Norway for tax purposes
Forward-looking Statements	Statements, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
GBP	The currency of the United Kingdom, (British Pound)
Group	Magseis ASA together with Magseis Operations AS and Magseis Technology Filial
Hydrophone	Hydrophones are sensors used in offshore seismic acquisition that detect pressure waves from seismic sources which are reflected from the earth's sub surfaces. The pressure waves are transformed to electrical signals which are recorded and processed to provide a sub-surface image.
IAS 34	Interim Financial Reporting as adopted by the EU
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards as adopted by EU

Innovation Norway	Norwegian Government's instrument for innovation and development of Norwegian enterprises and industry
Interim Financial Statements	The Group's unaudited consolidated interim financial statements as of, and for the three months ended, 31 December 2017 and 2016, and for the full year ended 31 December 2017
ISIN	Securities number in the Norwegian Registry of Securities (VPS)
Joint Lead Managers	ABG Sundal Collier and Arctic Securities, collectively
KPMG	KPMG AS
Listing	The listing of the shares of Magseis ASA on Oslo Axess
L.O.A	Length over all
Management or Executive Management	The executive management of the Company, as constituted from time to time
MASS	Marine Autonomous Seismic System
MSEIS	The trading symbol of Magseis on Oslo Børs and Oslo Axess
Multi-Azimuth	Method of improving seismic data acquisition quality by acquiring the area in different directions to provide illumination of the target zone from a number of different perspectives
NOK	The Norwegian kroner, the lawful currency of the Kingdom of Norway (Nw.: krone)
NCS	Norwegian Continental Shelf
Norwegian Corporate Shareholders	Shareholders which are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian Criminal Code	Norwegian Criminal Code of 2005
Norwegian Individual Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
Norwegian FSA	The Financial Supervisory Authority of Norway
MAZ	Multi-Azimuth
MYR	Malaysian Ringgit, the currency of Malaysia.
NPLC	Norwegian Public Limited Liability Companies Act
OBC	Ocean bottom cable
OBS	Ocean bottom seismic
OBN	Ocean bottom nodes
Orthogonally geophones	Geophones are sensors used in surface seismic acquisition, both onshore and on the seabed offshore, that detects ground velocity produced by seismic waves and transforms the motion into electrical signals which are recorded and processed to provide a sub-surface image. Orthogonally geophones means that the geophones are oriented in 90° angles relative to each other like in a xyz coordinate system.
Oslo Axess	Regulated market, operated by Oslo Børs ASA
Oslo Børs	Oslo Stock Exchange, owned and operated by Oslo Børs VPS Holding ASA (see www.oslobors.no)

Private Placement	The private placement with gross proceeds of NOK 300 million announced on 25 January 2018 and resolved by the Board on 25 January 2018 and by the EGM on 16 February 2018
Private Placement Shares	The 16,666,667 new shares, each with a nominal value of NOK 0.05, issued in connection with the Private Placement
Prospectus	This Prospectus dated 6 March 2018
QIBs	Qualified Institutional buyers, as defined in Rule 144A under the U.S. Securities Act
R&D	Research and development
Registrar / VPS Registrar	DNB Bank ASA
Related Parties	Those that are considered as related parties of the Company pursuant to IAS 24 "Related Party Disclosures"
Relevant Member State	Member states of the EEA
Restricted Securities	Restricted Securities as defined under rule 144(a)(3) of the Securities Act
RRR	Oil and gas reserve replacement ratio
SAR	Saudi riyal, the official currency of Saudi Arabia.
SEK	Swedish crown, he official currency of Sweden
SGD	Singaporean dollar, the official currency of Singapore
Shareholders	Person or legal entity registered in the VPS Register as holder of a Share
Shares	A share of nominal value NOK 0.05 in the capital of the Company
STV	Shell Technology Ventures
USD	The United States Dollar, the lawful currency of the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
Vessel	The one vessel currently used by the Company
VPS account	An account held with the VPS Register to register ownership of securities
VPS/VPS Register	Oslo Børs VPS Holding ASA, the Norwegian Central Securities Depository
WAZ	Wide-azimuth
Westcon	Westcon Group AS

APPENDIX A:

ARTICLES OF ASSOCIATION OF MAGSEIS ASA

Articles of Association

For Magseis ASA

Adopted 16 February 2018

§ 1

The company's name is Magseis ASA. The company is a public limited company.

§ 2

The company's registered office is in the municipality of Bærum.

§ 3

The company's business activities include development of geophysical equipment and methods, generation, marketing and sale of exclusive and non-exclusive geophysical exploration and other thereto naturally related activities.

§ 4

The company's share capital is NOK 3,877,952.90 divided into 77,559,058 shares, each with a normal value of NOK 0.05.

The company's shares are registered in the securities register.

§ 5

The company's board consists of three to five members. The chairman of the board of directors is elected by the general meeting. The right of signature lies with two board members jointly or by the chief executive officer alone. The board may grant power of procuration.

§ 6

The ordinary general meeting is held each year within end of June. For documents concerning issues to be addressed at the general meeting that are made available to the shareholders on the company's website, the statutory requirement that the documents must be sent to the shareholders does not apply. This also applies to the documents that pursuant to law must be included in or attached to the notice convening the general meeting. A shareholder can however demand that such documents are sent to him.

Access is given to communicate messages, warnings, information, documents, notifications and similar by e-mail to the company's shareholders.

General meetings are chaired by an independent chairman who is elected by the general meeting.

Shareholders are entitled to attend and vote at the General Meeting only when their acquisition of shares has been entered in the register of shareholders by no later than the fifth business day prior to the General Meeting (the record date).

Shareholders who wish to take part in the General Meeting, must give notice to the Company by the date stated in the Calling Notice, which date must be at least two working days before the General Meeting.

In the Company's General meeting each share has one vote. An owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares shall within two working days before the General Meeting provide the Company with his name and address together with a confirmation from the custodian to the effect that he is the beneficial owner of the shares held in custody, and provided further the Board

of Directors shall not disapprove such beneficial ownership after receipt of such notification in accordance with the rules set out in this § 6.

§ 7

The ordinary general meeting shall address the following issues:

1. Approval of the annual report and annual accounts, including distribution of dividends.

2. Other issues falling within the scope of the general meeting.

§ 8

The company shall have a nomination committee consisting of two or three members. The members of the nomination committee shall be shareholders or representatives of shareholders.

The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee's period of service shall be two years unless the general meeting decides otherwise. The period of service commences from the time of being elected unless otherwise decided. It terminates at the end of the annual general meeting of the year in which the period of service expires. Even if the period of service has expired, the member must remain in his or her position until a new member has been elected.

The remuneration to the members of the nomination committee shall be determined by the general meeting.

The nomination committee shall have the following responsibilities:

(i) To give the general meeting its recommendations regarding the election of board members to be elected by the shareholders;

(ii) To give the general meeting its recommendations regarding the remuneration to the board members;

(iii) To give the general meeting its recommendations regarding the election of members of the nomination committee; and

(iv) To give the general meeting its recommendations regarding the remuneration of the nomination committee.

The general meeting may issue further guidelines for the nomination committee's work.

Magseis ASA
Dicks vei 10B
N-1366 Lysaker
Norway

Joint Lead Managers and Bookrunners

ABG Sundal Collier ASA
Munkedamsveien 45 Vika Atrium
N-0250 Oslo
Norway

Arctic Securities AS
Haakon VII's gate 5
N-0161 Oslo
Norway

Legal Advisor to the Company
(as to Norwegian law)
Arntzen de Besche Advokatfirma AS
Bygdøy allé 2
N-0257 Oslo
Norway