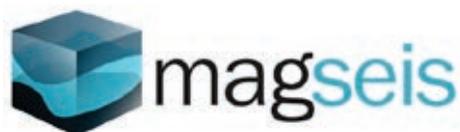


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Magseis ASA

(Business registration number NO 994 547 852)
(a public limited liability company incorporated under the laws of Norway)

Prospectus in connection with

Listing on Oslo Axess of 22,650,000 Private Placement Shares resolved in the Private Placement

Subsequent Offering and listing of up to 2,830,800 New Shares with non-transferrable Allocation
Rights for Eligible Shareholders (as defined herein) at offer price of NOK 15 per New Share

Application Period for the Subsequent Offering:
From and including 09:00 (CET) on 29 March 2017 to 16:30 (CET) on 11 April 2017

28 March 2017

THE PRIVATE PLACEMENT SHARES, THE NEW SHARES AND THE ALLOCATION RIGHTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). EACH U.S. SHAREHOLDER ON THE RECORD DATE WISHING TO APPLY FOR NEW SHARES MUST PROVIDE A LETTER ATTACHED HERETO PROVIDING CERTIFICATION THAT IT IS EITHER (A) AN "ACCREDITED INVESTOR" AS DEFINED UNDER RULE 501(A) OF THE SECURITIES ACT, (B) A "QUALIFIED INSTITUTIONAL BUYER" (OR "QIB") AS DEFINED UNDER RULE 144A OF THE SECURITIES ACT OR (C) A PERSON OTHER THAN A U.S. PERSON, AS THAT TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. ONLY U.S. SHAREHOLDERS ON THE RECORD DATE WHO HAVE COMPLETED AND RETURNED THE CERTIFICATION ARE AUTHORIZED TO PARTICIPATE IN THE SUBSEQUENT OFFERING. THE NEW SHARES WILL NOT BE TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER SECTION 6 "SELLING AND TRANSFER RESTRICTIONS". BY ACCEPTING THIS PROSPECTUS YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS.

THE DISTRIBUTION OF THIS PROSPECTUS IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION 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 NEW SHARES.

Joint Lead Managers and Bookrunners



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 (I) the listing on Oslo Axess, a regulated market place operated by Oslo Børs ASA ("Oslo Børs" or the "Oslo Stock Exchange") of 22,650,000 shares (the "Private Placement Shares") issued in connection with the private placement announced on 23 March 2017 and resolved by the extraordinary general meeting of the Company (the "EGM") on 27 March 2017 (the "Private Placement") and (II) the subsequent repair offering (the "Subsequent Offering") and listing of up to 2,830,800 new shares in the Company (the "New Shares"), with non-transferable allocation rights (the "Allocation Rights") providing allocation rights to apply for and to be allocated New Shares at the Offer Price to be issued to shareholders in the Company as of 23 March 2017 as registered with the VPS on 27 March 2017 (the "Record Date"), except for those shareholders who were invited to participate, or applied for but were not allocated Private Placement Shares, in the Private Placement and shareholders who are resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (the "Eligible Shareholders"), pursuant to the terms and conditions as described herein. The Private Placement Shares and the New Shares 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".

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") chapter 7 and related secondary legislation, including EC 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 (the "EU Prospectus Directive"). The Prospectus has been prepared on the basis that the Company is a small and medium-sized enterprise. The Prospectus has been prepared solely in the English language. This Prospectus has been reviewed and approved by 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 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 Prospectus was approved by the Norwegian FSA on 28 March 2017.

The Company has furnished the information in this Prospectus. The 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 Managers.

All inquiries relating to this Prospectus should be directed to the Company or the 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 the Subsequent Offering and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company or the 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 Subsequent Offering or the Shares arising after the publication of this Prospectus and before the listing of the New Shares 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 or the Subsequent Offering 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 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.

NEITHER THE PRIVATE PLACEMENT SHARES, THE NEW SHARES NOR THE ALLOCATION RIGHTS ARE, 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. This Prospectus may not be used for the purpose of, and does not constitute, an offer for, or an invitation to purchase, any of the New Shares in any jurisdiction in which such offer or sale would be unlawful. 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 Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Allocation Rights and the New Shares are being offered only in those jurisdictions in which, and only to those person to whom, offers and sales of the New Shares may lawfully be made.

This Prospectus and the terms and conditions of the Subsequent Offering 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 the Subsequent Offering or this Prospectus.

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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 17.2 "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	<p>This summary should be read as an introduction to the Prospectus.</p> <p>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.</p> <p>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.</p>
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, 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	As of 17 March 2017, an extension to Aramco's S-78 survey in the Red Sea was confirmed. The project has an expected duration of 6-7 months and is expected to commence during April 2017.
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	<p>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.</p> <p>As of 24 March 2017, which was the latest practicable date prior to the date of this Prospectus, 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: Westcon</p>

		<p>Group AS, Anfar Invest AS, Geo Innova AS and Clipper A/S.</p> <p>Each of the Company's Shares carries one vote.</p> <p>None of the major shareholders has different voting rights than the other shareholders in the Company.</p> <p>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.</p>
B.7	Selected historical key financial information	The selected key financial information has been extracted from the Groups audited consolidated financial statements prepared under IFRS as adopted by EU for the financial years ended December 31 2015 and 2014 and the unaudited financial information for Q4 2016 and full year 2016 prepared under IAS 34 Interim Finance Reporting and the same period for 2015.

The table below sets out a summary of information extracted from the Group's audited profit and loss statement information for the years ended December 31 2015 and 2014 and the Group's unaudited profit and loss statement information for Q4 2016 and full year 2016 and the same period for 2015.

In thousands of USD

Profit and loss	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Revenues	20 024	5 535	58 905	40 671
Cost of sales	11 111	8 517	39 038	31 427
EBITDA	5 532	-6 276	8 506	-2 347
EBIT	1 894	-10 781	-11 114	-15 637
Net profit/loss	58	-11 221	-16 695	-16 510
Basic earnings per share	0,00	-0,37	-0,44	-0,58
Financial position				
Total assets			86 665	72 830
Total liabilities			37 620	19 169
Total equity			49 045	53 661
Equity ratio			56,6%	73,7%
Cash flow				
Net cash flow from operating activities			-2 117	-3 625

The table below sets out a summary of the Group's unaudited balance sheet information as of December 31, 2016 and the Group's audited balance sheet information as of December 31, 2015 and 2014.

<i>In thousands of USD</i>	Year ended 31.12		
	2016	YE 2015	2014
ASSETS			
Non-current assets			
Equipment	42 991	47 346	46 346
Multi-client library	0	877	0
Intangible assets	5 583	3 543	1 939
Total non-current assets	48 574	51 766	48 285
Current assets			
Cash and cash equivalents	18 974	11 435	21 591
Trade receivables	10 681	2 693	7 621
Other current assets	8 436	6 936	4 524
Total current assets	38 092	21 064	33 736
TOTAL ASSETS	86 665	72 830	82 021

EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	303	254	237
Share premium	102 594	90 945	83 755
Other equity	3 012	2 630	2 039
Retained earnings	-51 740	-35 045	-18 487
Currency translation reserve	-5 124	-5 123	-5 123
Total equity attributable to equity holders of the Company	49 045	53 661	62 421
TOTAL EQUITY	49 045	53 661	62 421
LIABILITIES			
Non-current liabilities			
Obligation under finance lease	951	1 891	2 739
Other non-current financial liabilities	14 188	4 402	1 369
Total non-current liabilities	15 139	6 293	4 108
Current liabilities			
Trade payables	5 870	7 607	8 050
Current tax payable	2 841	212	0
Current portion of obligations under finance lease	7 881	848	761
Other current liabilities	5 890	4 209	6 681
Total current liabilities	22 481	12 876	15 492
TOTAL LIABILITIES	37 620	19 169	19 600
TOTAL EQUITY AND LIABILITIES	86 665	72 830	82 021

The table below has been extracted from the Group's audited consolidated Financial Statements for the years ended 31 December 2015 and 2014 and the Group's unaudited interim financial statements for Q4 2016 and full year 2016 and the same period for 2015.

<i>In thousands of USD</i>	Three months ending 31.12		12 months ending 31.12		
	2016	2015	2016	2015	2014
Cash flows from operating activities					
Profit / (Loss) before tax	1 521	-11 027	-12 507	-16 071	-5 379
Adjustment for:					
Income tax paid	-27	0	-64	0	-34
Withholding tax paid	-1 069	-194	-1 069	-439	-498
Deferred lease discount amortisation	-119	-119	-470	-460	7 607
Depreciation and amortisation	3 244	6 453	12 179	13 171	1 119
Impairment	393	84	7 441	119	550
Gain on currency forward contract	0	75	0	0	995
Share based payments expense	78	135	382	591	454
Interest expense	553	157	1 452	595	-242
Interest income	-8	-7	-15	-49	
Working capital adjustments:					
(Increase) / decrease in current assets	5 021	-736	-9 395	2 488	103
Increase / (decrease) in trade and other payables and accruals	-952	2 604	-51	-3 569	1 273
	4 068	1 868	-9 447	-1 081	1 376

Net cash used/from operating activities	8 637	-2 576	-2 117	-3 625	5 948
Cash flows from investing activities					
Interest received	8	7	15	49	242
Acquisition of equipment	-71	-2 033	-13 906	-10 133	-13 403
Payments for capitalised development and intangibles	-235	-762	-2 572	-1 389	-198
Multi-client library investments	0	-3 031	0	-4 383	0
Net cash used in investing activities	-298	-5 819	-16 463	-15 856	-13 359
Cash flows from financing activities					
Proceeds from loan	1 522	1 680	20 306	3 493	5 200
Payment of finance lease obligation and loan	-3 804	-200	-4 431	-761	-685
Proceeds from issue of share capital	0	0	12 183	7 468	20 163
Expenses related to issue of share capital	0	2	-485	-281	-934
Interest paid	-553	-157	-1 452	-595	-454
Net cash used/from financing activities	-2 836	1 325	26 120	9 324	23 290
Net change in cash and cash equivalents	5 503	-7 070	7 540	-10 157	15 879
Cash and cash equivalents at 1 January	13 471	18 505	11 435	21 591	6 867
Net foreign exchange difference		0	0	0	-1 155
Cash and cash equivalents at period end	18 974	11 435	18 974	11 434	21 591

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.
C.2	Currency of issue	The Shares are issued in Norwegian Kroner ("NOK").
C.3	Number of issued shares and par value	At the date of this Prospectus, but prior to issuance of the Private Placement Shares, the issued share capital is NOK 1,890,900.70 divided into 37,818,014 Shares each with a nominal value of NOK 0.05. Following issuance of the Private Placement Shares, the share capital of the Company will be NOK 3,023,400.70 divided into 60,468,014 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 in connection 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 Private Placement Shares and the New Shares are expected to be issued and admitted to trading on Oslo Axess without application upon publication of this Prospectus. The New Shares will upon issuance and without application be admitted to

		<p>trading on Oslo Axess. Assuming timely payment by all Applicants, the Company expects that the New Shares will be issued and listed on Oslo Axess on or about 29 March 2017 and 20 April 2017, respectively, under the trading symbol "MSEIS".</p> <p>Neither the New Shares nor the Private Placement Shares will be sought admitted to trading on any other regulated market than Oslo Axess.</p>
C.7	Dividend policy	<p>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.</p> <p>The Company has not paid any dividends since its incorporation.</p>
Section D – Risks		
D.1	Key risks relating to the issuer and its business	<p><i>Risks relating to the business operations of the Group, including:</i></p> <ul style="list-style-type: none"> • 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 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. <p>The Group's results of operations may be significantly affected by currency fluctuations.</p> <ul style="list-style-type: none"> • 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. <p><i>Risks relating to financing, including</i></p> <p>The Group may not be able to obtain additional financing on satisfactory terms, or at all, which may significantly affect the Group's business.</p>

D.3	Key risks relating to the Securities	<p><i>Risks relating to the Subsequent Offering and the Shares, including:</i></p> <ul style="list-style-type: none"> • Eligible Shareholders who do not participate in the Subsequent Offering may experience significant dilution in their shareholding. • If the Subsequent Offering is withdrawn, the Allocation Rights will no longer be of value. • 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 13 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 369.25 million, assuming the Subsequent Offering will be fully subscribed. No expenses or taxes are charged to the Applicants in the Private Placement or the Subsequent Offering by the Company or the Managers.												
E.2a	Reasons for the offer, use of proceeds, estimated net amount of the proceeds.	The net proceeds from the Private Placement and the Subsequent Offering will be used 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. The net proceeds are estimated to NOK 369.25 million assuming the full amount of the Subsequent Offering is raised.												
E.3	A description of the terms and conditions of the offer.	<p>On 23 March 2017, the Company raised NOK 339.75 million in gross proceeds through a Private Placement of 22,650,000 Private Placement Shares, each with a par value of NOK 0.05 and a subscription price of NOK 15 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 was approved by the EGM on 27 March 2017.</p> <table border="1" data-bbox="619 1666 1445 2029"> <tr> <td data-bbox="619 1666 927 1753">Number of Shares in the Private Placement:</td> <td data-bbox="927 1666 1445 1753">The Private Placement comprised the issuance of 22,650,000 Private Placement Shares, each with a par value of NOK 0.05</td> </tr> <tr> <td data-bbox="619 1753 927 1818">Subscription Price:</td> <td data-bbox="927 1753 1445 1818">The Subscription Price for the Private Placement Shares was set at NOK 15 per Share</td> </tr> <tr> <td data-bbox="619 1818 927 1883">Bookbuilding Period:</td> <td data-bbox="927 1818 1445 1883">Start of Bookbuilding Period: 23 March 2017 End of Bookbuilding period: 24 March 2017</td> </tr> <tr> <td data-bbox="619 1883 927 1921">Notification of allocation:</td> <td data-bbox="927 1883 1445 1921">24 March 2017</td> </tr> <tr> <td data-bbox="619 1921 927 1960">Payment date:</td> <td data-bbox="927 1921 1445 1960">On or about 28 March 2017</td> </tr> <tr> <td data-bbox="619 1960 927 2029">Registration of share capital increase:</td> <td data-bbox="927 1960 1445 2029">The share capital increase is expected to be registered in the Company Register on or about 29</td> </tr> </table>	Number of Shares in the Private Placement:	The Private Placement comprised the issuance of 22,650,000 Private Placement Shares, each with a par value of NOK 0.05	Subscription Price:	The Subscription Price for the Private Placement Shares was set at NOK 15 per Share	Bookbuilding Period:	Start of Bookbuilding Period: 23 March 2017 End of Bookbuilding period: 24 March 2017	Notification of allocation:	24 March 2017	Payment date:	On or about 28 March 2017	Registration of share capital increase:	The share capital increase is expected to be registered in the Company Register on or about 29
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			March 2017.
		Delivery of Placement Shares:	The Private Placement Shares are expected to be delivered on or about 29 March 2017.
		Trading of the Placement Shares:	First day of trading on the Oslo Axxess for the Private Placement Shares is expected to be on or about 29 March 2017 subject to timely payment and registration in the Company's Register as well as approval of this Prospectus.
		Number of Shares pre Private Placement:	37,818,014, each Share with a par value of NOK 0.05
		Number of Shares post Private Placement:	60,468,014 each Share with a par value of NOK 0.05
		Gross proceeds from the Private Placement:	NOK 339.75 million
		Rights of the Placement Shares:	The Private Placement Shares are in all respects equal to the ordinary shares of the Company
		Dilution:	The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders is approximately 37.5 per cent.
		<p>At the EGM held on 27 March 2017 the Board of Directors of the Company was granted an authority to issue New Shares in a Subsequent Offering directed towards the Eligible Shareholders. The authority comprises a share capital increase of up to NOK 628,888.1.</p> <p>The Subsequent Offering, comprising up to NOK 2,830,800 New Shares, is directed towards shareholders in the Company as of 23 March 2017 who were not invited to participate, or applied for but were not allocated shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action. Such shareholders were granted non-transferable preferential rights to subscribe for, and, upon subscription, be allocated new shares.</p> <p>Below is an overview of the terms and timetable for the Subsequent Offering (subject to final resolution by the Board):</p>	
		Number of New Shares in the Subsequent Offering:	The Subsequent Offering comprises up to 2,830,800 New Shares to be issued, each with a par value of NOK 0.05.
		Subscription Price:	NOK 15 per New Share, equal to the Subscription Price in the Private Placement.
		Subscription Period:	Commences on 29 March 2017 and ends on 11 April 2017.
		Eligible Shareholders:	Shareholders in the Company as of 23 March 2017 who were not invited to participate, or applied for but were not allocated shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action. Such shareholders were granted non-transferable preferential rights to apply for, and, upon application, be allocated new shares.
		Subscription Rights:	0.45553 Subscription Right for each Share held as of 23 March 2017. The holders of Subscription Rights will be entitled to subscribe for one New Share for every Allocation Right held within the end of the Application Period.
		Allocation date:	Allocation of New Shares is expected to take place on or about 12 April 2017.

		Allocation criteria:	The New Shares shall be allocated on the basis of used Allocation Rights.
		Payment date:	Payment for the New Shares falls due on 18 April 2017.
		Delivery date:	Assuming that payments from all Applicants are made when due, delivery of the New Shares is expected to take place on or about 20 April 2017. Assuming that payments from all applicants are made when due, it is expected that the share capital increase will be registered in the Company Register on or about 20 April 2017.
		Trading of New Shares:	The first day of trading on Oslo Axess is expected to be on or about 20 April 2017.
		Number of Shares before the Subsequent Offering:	Following the registration of the Placement Shares to be issued in the Private Placement the number of Shares will be 60,468,014, each at a par value of NOK 0.05.
		Number of Shares after the Subsequent Offering:	Up to 63,298,814.
		Gross proceeds from the Subsequent Offering:	Up to NOK 42.462 million.
		Rights of the New Shares:	The New Shares are in all respects equal to the ordinary shares of the Company.
E.4	Material and conflicting interests.	<p>ABG Sundal Collier ASA and Arctic Securities AS are acting as Joint Lead Managers and Bookrunners in connection with the Private Placement and the Subsequent Offering and will receive fees and commission in this regard.</p> <p>The 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 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 or the Subsequent Offering that may have conflicting interest.</p>	
E.5	Selling shareholders and lock-up agreements	There are no selling Shareholders in the Private Placement or the Subsequent Offering and no lockup on the Private Placement Shares or the New Shares.	
E.6	Dilution resulting from the Subsequent Offering	<p>Assuming full subscription of the Subsequent Offering, a total of 2,830,800 new Shares will be issued in the Private Placement and the Subsequent Offering, resulting in a dilution of approximately 40,3% for existing shareholders who did not participate in the Private Placement or the Subsequent Offering.</p> <p>Taking into account the Private Placement Shares, the percentage of immediate dilution resulting from the Subsequent Offering for Magseis' shareholders is expected to amount to approximately 13.04 % if all New Shares are issued.</p>	
E.7	Estimated expenses charged to investor	Not applicable. The expenses related to the Subsequent Offering 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 Q4 2017 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 one vessel (the "Vessel") currently used 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. 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 Vessel 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 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.

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's 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, United 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 effectively 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 minimise 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 minimise 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 SUBSEQUENT OFFERING AND THE SHARES

Eligible Shareholders who do not participate in the Subsequent Offering may experience significant dilution in their shareholding.

Allocation Rights that are not exercised by the end of the Offer Period will have no value and will automatically lapse without compensation to the holder. To the extent that an Eligible Shareholder does not exercise its Allocation Rights prior to the expiry of the Offer Period, whether by choice or due to a failure to comply with application procedures set out in this Prospectus, such Eligible Shareholder's proportionate ownership and voting interests in the Company after the completion of the Subsequent Offering will be diluted.

If the Subsequent Offering is withdrawn, the Allocation Rights will no longer be of value.

If the Subsequent Offering is withdrawn, all Allocation Rights will lapse without compensation to the holder, subscriptions for, and allocations of, Offer Shares that have been made will be disregarded and any subscription payments made will be returned without interest or any other compensation.

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, and the New Shares will be, 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 and Gneis 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

The Board of Directors accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declares 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, 28 March 2017

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

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 and 13 and 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 Group's audited consolidated financial statements as of, and for the years ended, 31 December 2015 and 2014 have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU ("IFRS") and incorporated by reference to this Prospectus, see Section 17.2

"Incorporation by Reference". The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2015 and 2014 are together referred to as the "Audited Financial Statements" or "Financial Statements". The Audited Financial Statements have been audited by KPMG, as set forth in their auditor's report included herein. The Company presents the Financial Statements 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 AND THE SUBSEQUENT OFFERING

5.1 THE PURPOSE OF THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING AND USE OF PROCEEDS

The Company decided to conduct the Private Placement and the Subsequent Offering in order to finance further growth. The Company's contract with BGP Arabia for conducting a survey for Saudi Aramco has recently been extended as described in the stock exchange release of 17 March 2017. The net proceeds from the Private Placement and the Subsequent Offering will be used 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.

The Private Placement and the Subsequent Offering together with other sources of financing, such as the Letter of Intent described in the stock exchange announcement of 21 March 2017, and the inherent flexibility provided by the modular ROV crew, is expected to ensure sufficient financing for the Company's growth plans.

The net proceeds are estimated to NOK 369.25 million assuming the full amount of the Subsequent Offering is subscribed.

5.2 THE PRIVATE PLACEMENT

5.2.1 Overview of the Private Placement

On 23 March 2017, the Company announced a contemplated private placement of up to USD 40 million. The Private Placement was directed towards existing shareholders 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 24 March 2017, prior to opening on Oslo Børs, the Company completed such book-building process for the issuance of 22,650,000 Shares at a Subscription Price of NOK 15 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.

The Board allocated the Private Placement Shares to investors based on consultations with the 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.

In order to facilitate the Private Placement, the Shareholders' preferential right to subscribe for Shares was set aside by the EGM. Investors who were allocated Private Placement Shares in the Private Placement accepted not to receive Allocation Rights in the Subsequent Offering.

On 6 March 2017, the Company's Board of Directors sent out the notice for an extraordinary general meeting of the Company which was to be held on 27 March 2017. The Board proposed to approve the issuance of the Private Placement Shares and thereby to set aside existing shareholders' pre-emptive rights for subscription of new shares. The Board is of the opinion that the Private Placement will allow the Company to raise capital more quickly and, at a lower discount compared to a rights issue. Further, the Board is of the opinion that, in the current market situation, a private placement has a larger possibility of success compared to a rights issue.

Further, in order to give shareholders who did not participate in the Private Placement the possibility to maintain their shareholding in the Company by subscribing Shares at the same price as applicable to the Private Placement, the Board proposed to carry out a subsequent share issue.

At the EGM the issuance of the Private Placement Shares as well as an authorisation to the Board to carry out the Subsequent Offering were approved. The EGM passed the following resolution to increase the Company's share capital in relation to the Private Placement:

1. *The Company's share capital is increased by NOK 1,132,500, from NOK 1,890,900.70 to NOK 3,023,400.7 through the issuance of 22.650.000 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 15 per share, implying a gross proceed of NOK 339,750,000.*
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 10 April 2017. The Board is authorised to extend the deadline on one or several occasions, however no later than 30 April 2017.*
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 11.5 million ex VAT.*

The percentage of immediate dilution resulting from the Private Placement for the Shareholders (not taking into account the Subsequent Offering) is approximately 37.5 %.

5.2.2 Issuance and Listing of the Private Placement Shares

The Private Placement Shares to be issued pursuant to the resolution by the EGM are, subject to timely payment, expected to be issued and registered with the Company Register and the VPS on or about 29 March 2017.

The Private Placement Shares will be created under the laws of Norway and issued in accordance with the Norwegian Public Limited Liability Act. The Private Placement Shares will be denominated in Norwegian Krone (NOK) each with a nominal value of NOK 0.05, and will be registered in book-entry form with the VPS under the Company's ordinary ISIN NO 0010663669 following the approval of this Prospectus.

The Private Placement Shares are subject to admission to trading on Oslo Axess without application. The Company expects that the Private Placement Shares will be listed on Oslo Axess on or about 29 March 2017. The Private Placement Shares will not be sought admitted to trading on any other regulated market than Oslo Axess.

The Private Placement Shares carry full shareholder rights equal to the existing ordinary Shares of the Company. For a description of rights attaching to Shares in the Company see Section 13 "Share Capital and Shareholder Matters".

5.3 THE SUBSEQUENT OFFERING

5.3.1 Overview of the Subsequent Offering

On 28 March 2017, the Company announced a Subsequent Offering of up to 2,830,800 New Shares, each with nominal value of NOK 0.05, at an Offer Price of NOK 15 per New Share, which is the same price applicable to the subscription of the Private Placement Shares. Allocation Rights will be issued to Eligible Shareholders as of the Record Date. Eligible Shareholders will receive 0.45553 non-transferable Allocation Rights for each Share in the Company held on the Record Date. Subject to all New Shares being issued, the Subsequent Offering will result in NOK 42.462 million in gross proceeds. The Allocation Rights and the New Shares will not be issued or sold in certain jurisdictions or to residents of certain jurisdictions. For further information see Section 6 "Selling and Transfer Restrictions".

The Subsequent Offering is conditional upon the Board of Directors resolving to issue the New Shares. In the event that the shares of the Company trades below the offer price at commencement of the Subsequent Offering or during the Application Period, the Board may resolve to cancel the Subsequent Offering.

5.3.2 Increase of share capital in connection with the Subsequent Offering

On 27 March 2017 the EGM granted the Board of Directors the following authorisation to increase the share capital in connection with the Subsequent Offering:

1. *The Board of Directors is authorised to increase the share capital in one or more share issues in a total amount not exceeding NOK 625,888.1.*
2. *The authorisation shall only be used to issue shares in a subsequent repair issue which may be completed subsequent to the private placement resolved by the general meeting in item 5 on the agenda.*
3. *The preferential rights of existing shareholders pursuant to section 10-4, first paragraph of the Public Limited Companies Act, cf. section 10-5, may be waived.*
4. *The Board of Directors will determine the further subscription terms.*
5. *The authorisation only allows a capital increase against payment in cash. The authorisation does not apply to mergers, cf. section 13-5 of the Public Limited Companies Act.*
6. *The authorisation expires at the annual general meeting in 2017, however, not later than 30 June 2017.*
7. *The Board of Directors is authorized to amend the Company's Articles of Association to reflect new number of shares and share capital*

5.3.3 The Application Period

The Application Period for the Subsequent Offering commences at 09:00 (CET) on 29 March 2017 and expires at 16:30 (CET) on 11 April 2017. Applications received after the expiry of the Application Period may be disregarded by the Managers. The Company reserves the right to extend the Application Period at any time, depending on the number and size of orders or applications received in the Subsequent Offering. Any extension of the Application Period will be announced through the information system of Oslo Børs no later than 09:00 (CET) on the day following the last day of the (then prevailing) Application Period. An extension may take place one or several times, provided, however that the Application Period will in no event be extended beyond 16:30 (CET) on 28 April 2017. In the event of an extension, the allocation date, the first trading date, the payment date and the date of delivery of the New Shares may be extended accordingly upon notice through the Oslo Børs information system.

5.3.4 Offer Price

The Offer Price in the Subsequent Offering has been set at NOK 15 per New Share, which corresponds to the Subscription Price per Private Placement Share in the Private Placement. No expenses or taxes are charged to the Applicants in the Subsequent Offering by the Company or the Managers. The Offer price of NOK 15 per New Share represents a discount of 1.96 per cent compared to the last trade on 23 March 2017.

There is no minimum order size and the applicants will not incur any cost related to the application for, or allotment of, the New Shares.

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 %
Shell Technology Ventures BV ¹	392,000	12.50	01.04.2016	2.50	20
Mari Thjømøe ²	6,000	14.00	25.05.2016	1	7.14
Idar Horstad	16,000	13.50	28.08.2016	1.50	11.11
Anders Farestveit	47,840	16.80	27.02.2017	+ 1.80	+ 10.7

5.3.5 Allocation Rights

Eligible Shareholders will be allocated non-tradable Allocation Rights giving preferential right to apply for, and be allocated, New Shares in the Subsequent Offering, in proportion to their shareholding in the Company as at the Record Date. The Company will issue 0.45553 Allocation Rights per Share held by Eligible Shareholders in the Company at the Record Date. The number of Allocation Rights issued to each Eligible Shareholders will be rounded down to the nearest whole number of Allocation Rights.

Each Allocation Right grants the holder the right to apply for and be allocated one New Share.

The Allocation Rights will be issued and registered to Eligible Shareholders in the VPS under ISIN NO 001 0789738. The Allocation Rights will be delivered free of charge and the recipient will not be debited any charges. The Allocation Rights will not be transferrable and will accordingly not be listed on Oslo Axess. Allocation Rights issued to Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for New Shares (the "Ineligible Shareholders") will initially be credited to such Ineligible Shareholders' VPS accounts. Such credit does not constitute an offer to Ineligible Shareholders to apply for the New Shares. The Company will instruct the Managers to withdraw the Allocation Rights from such Ineligible Shareholders' VPS accounts with no compensation to the holder.

Oversubscription (i.e. application for more New Shares than number of Allocation Rights held) is not permitted (see Section 5.3.7 "Allocation of New Shares" for more details). Application without Allocation Rights is not permitted.

Allocation Rights not used to subscribe for New Shares before the expiry of the Application Period will lapse without compensation to the holder, and consequently be of no value.

In order to facilitate the Subsequent Offering, the pre-emptive rights of shareholders to subscribe shares are set aside. The Board believes that this is in the best interest of the Company and the Shareholders as it is necessary in order to accomplish the Subsequent Offering and to allow Eligible

¹ Represented in the Board by Bettina Bachman.

² Previous chairman, acquired through her wholly owned company Thjømøekranen.

Shareholders to apply for New Shares in order to maintain their proportionate shareholding in the Company following completion of the Private Placement.

5.3.6 The application procedure

Eligible Shareholders will receive a letter which includes information on shareholdings registered as at the Record Date and number of Allocation Rights granted. The Prospectus is available at www.magseis.com, www.abgsc.com and www.arctic.com, and at the offices of ABG Sundal Collier ASA, Arctic Securities AS and Magseis. Applications for New Shares must be made on an Application Form in the form attached as Appendix B hereto. Norwegian applicants domiciled in Norway can also download the Prospectus on www.abgsc.com and www.arctic.com and apply for shares through VPS' internet service. A link to VPS' internet service will be available at www.abgsc.com, www.arctic.com and www.magseis.com.

Online applications must be submitted, and accurately completed Application Forms must be received by the Managers by 16.30 hours CET on no later than 11 April 2017. Neither the Company nor the Managers may be held responsible for delays in the mail system, busy facsimile lines or for non-receipt of Subscription Forms forwarded by facsimile to the Managers.

Properly completed and signed Application Forms may be faxed, mailed or delivered to the Managers at the addresses set out below:

ABG Sundal Collier
Munkedamsveien 45E
P.O. Box 1444 Vika
0115 Oslo, Norway
Tel: +47 22 01 60 00
E-mail: subscription@abgsc.no

Arctic Securities
Haakon VII's gt.5
P.O. Box 1833 Vika
0123 Oslo, Norway
Tel: +47 21 01 30 40
E-mail: subscription@arctic.com

The Board of Directors and the Managers may at their sole discretion refuse any improperly completed, delivered or executed Application Forms or any applications which may be unlawful. An application is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager. Multiple applications are allowed. In the event the Applicant submits two or more Application Forms, the Board of Directors and the Managers reserves the right to approve all or only some of the Application Forms.

Neither the Managers nor the Company will be held responsible for delays in the mail or facsimile system resulting in Application Forms not being received in time. Application for New Shares by an applicant is irrevocable and may not be withdrawn, cancelled or modified by the applicant after having been received by the Managers. Neither the Managers nor the Company assumes any responsibility for failure to apply or inability to apply for New Shares due to technical or internet problems. Application Forms received after the end of the Application Period may be disregarded at the sole discretion of the Company and/or the Managers without prior notice to the applicants. The Company and/or the Managers may, without prior notice to the applicants, in their sole discretion disregard any incomplete and/or incorrect Application Forms or any applications that may be unlawful. In the event that the Managers need to verify the identification of an applicant under the Norwegian Money Laundering Act 2009, the applicant is responsible for providing the Managers with the necessary documentation. Non-compliance with these requirements may lead to the applicant not being allocated New Shares in the Subsequent Offering.

5.3.7 Allocation of New Shares

The New Shares shall be allocated on the basis of used Allocation Rights.

The allocation of New Shares will take place after the expiry of the Application Period on or about 12 April 2017 and notifications of allocation will be dispatched by post from the VPS on or about 12 April 2017. The Board reserves the right to round off, regulate or in another way reject or reduce any application not covered by Allocation Rights (ref. item (i) above). Any excess payments made to the Company will be returned to the Applicant's bank account within two weeks following allocation, without any compensation for lost interest. No fractional New Shares will be allocated.

The Company will disclose information with regard to the number of Shares applied for in the Subsequent Offering on or about 12 April 2017 through the information system of Oslo Børs at www.newsweb.no under the ticker MSEIS.

5.3.8 Payment for the allocated New Shares

The payment for the New Shares falls due on 18 April 2017. Each Applicant must provide a one-time authorisation to the Manager to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the New Shares allotted to such Applicant by signing the Application Form when subscribing for New Shares. The amount will be debited on or about 18 April 2017.

Applicants not having a Norwegian bank account or Applicants applying for New Shares for more than NOK 5,000,000 must ensure that payment for their New Shares with cleared funds is made on or before 12.00 hours CET (noon) on 12 April 2017 and should contact the Managers in this respect. If there are insufficient funds on an Applicant's bank account or if it is impossible to debit a bank account for the amount the Applicant is obligated to pay, or payment is not received by the Managers according to other instructions, the allotted New Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.50 per cent per annum. The Managers reserves the right to make up to three attempts to debit the Applicants' accounts in the period up to and including 28 April 2017 if there are insufficient funds on the account on previous debit dates. If payment for the allotted New Shares is not received when due, the New Shares will not be delivered to the Applicant, and the Board reserves the right, at the risk and cost of the Applicant, to cancel the Application in respect of the New Shares for which payment has not been made, or to sell or otherwise dispose of the New Shares, and hold the Applicant liable for any loss, cost or expense suffered or incurred in connection therewith. The original Applicant remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

The Company and/or the Managers may enforce payment of any amount outstanding in accordance with applicable law. The Company and the Managers further reserves the right (but have no obligation to) to advance the application amount on behalf of applicants. The non-paying applicants will remain fully liable for the application amount payable for the Offer Shares allocated to them, irrespective of such payment by the Managers. If the Offer Shares are sold on behalf of the applicant, the applicant will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Managers as a result of or in connection with such sales.

5.3.9 Issuance, delivery and Listing of the New Shares

The New Shares will be created under the laws of Norway and issued in accordance with the Norwegian Public Limited Liability Act. The New Shares will be denominated in Norwegian Krone (NOK) each with a nominal value of NOK 0.05, and will be registered in book-entry form with the VPS under ISIN NO0010663669.

All Applicants applying for New Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive New Shares assuming that payments from all Applicants are made when due, delivery of the New Shares is

expected to take place on or about 20 April 2017. Assuming that payments from all Applicants are made when due, it is expected that the share capital increase will be registered in the Norwegian Register of Business Enterprises on or about 20 April 2017.

All of the New Shares will be admitted to trading on Oslo Axess following issuance, without application. Assuming timely payment by all Applicants, the Company expects that the New Shares will be listed on Oslo Axess on or about 20 April 2017. The New Shares will not be sought or admitted to trading on any other regulated market than Oslo Axess.

The final deadline for the registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the New Shares, is, pursuant to the Norwegian Public Limited Liability Companies Act, three months after the expiry of the Application Period (i.e. 28 July 2017).

The Company has not entered into any underwriting agreements, stabilization agreement, market making agreements or similar agreements for trading of its Shares on Oslo Axess in relation to the Subsequent Offering.

5.3.10 Publication of information in respect to the Subsequent Offering

In addition to press releases on the Company's website www.magseis.com, the Company intends to use the Oslo Børs information system at www.newsweb.no under the Company's ticker code "MSEIS" to publish information in respect to the Subsequent Offering. The Company will publish information with regard to the number of shares applied for in the Subsequent Offering on or about 12 April 2017.

5.3.11 Eligible Shareholders

The Company's shareholders as of 23 March 2017 as documented by the shareholder register in the VPS on the Record Date who were not invited to participate, or applied for but were not allocated shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action. The pre-emptive rights for existing shareholders to subscribe for New Shares in the Subsequent Offering are accordingly set aside.

5.3.12 Record Date

Eligible Shareholders registered with VPS as at 27 March 2017 will receive Allocation Rights.

5.3.13 Share capital following the Private Placement and the Subsequent Offering

The New Shares are expected to be issued by the Board of Directors on or about 20 April 2017 in accordance with the authorisation granted by the EGM on 27 March 2017. The New Shares will be subscribed by the Managers on behalf of and in accordance with a power of attorney granted by the Applicants who are allocated Shares in the Subsequent Offering.

The maximum number of New Shares to be issued is 2,830,800, all with a nominal value of NOK 0.05 per Share. If fully subscribed, the Subsequent Offering would give a further increase in the Company's total number of issued Shares post Private Placement from 60,468,014 to 63,298,814, each Share with a nominal value of NOK 0.05 per Share. See Section 13.1 "Share Capital and Shareholder Matters" for a further description of the Company's share capital.

5.4 VPS REGISTRATION

The Company's Shares are registered in VPS under ISIN NO 0010663669. The New Shares will be issued under the same ISIN on or about 20 April 2017.

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

The New Shares to be issued in the Subsequent Offering will be listed on Oslo Axess without application under the ticker code MSEIS.

5.5 PROCEEDS AND COSTS

The transaction costs of the Company related to the Private Placement and the Subsequent Offering are estimated at approximately NOK 13 million, and accordingly the net proceeds of the Private Placement and the Subsequent Offering will be approximately NOK 369.25 million, assuming the Subsequent Offering is fully subscribed. No expenses or taxes are charged to the Applicants in the Private Placement or the Subsequent Offering by the Company or the Managers.

5.6 DILUTION

The Company had 37,818,014 Shares outstanding prior to the Private Placement. Assuming that the Subsequent Offering is fully subscribed, a total of 25,480,800 new Shares will be issued in the Private Placement and the Subsequent Offering, resulting in a dilution of approximately 40.3% for existing shareholders who did not participate in the Private Placement or the Subsequent Offering.

Taking into account the Private Placement Shares, the percentage of immediate dilution resulting from the Subsequent Offering for Magseis' shareholders is expected to amount to approximately 13,04% if all New Shares are issued.

5.7 MANAGERS AND ADVISORS

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

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

5.8 JURISDICTION AND GOVERNING LAW

This Prospectus, the Application Form and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with, and the New Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Subsequent Offering shall be subject to the exclusive jurisdiction of Oslo District Court.

5.9 INTEREST OF NATURAL AND LEGAL PERSONS IN THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

ABG Sundal Collier ASA and Arctic Securities AS serve as Managers in connection with the Private Placement and the Subsequent Offering, 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 and Subsequent Offering. The 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 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 or the Subsequent Offering.

5.10 MANDATORY ANTI MONEY LAUNDERING PROCEDURES

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations (collectively the "Anti-Money Laundering Legislation"). All Applicants not registered as existing customers with the Managers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants that have designated an existing Norwegian bank account and an existing VPS account on the Application Form are exempted, provided the aggregate Application price is less than NOK 100,000, unless verification of identity is requested by the Managers. The verification of identity must be completed prior to the end of the Application Period. Applicants that have not completed the required verification of identity may not be allocated New Shares.

Further, in participating in the Subsequent Offering, each Applicant must have a VPS account. The VPS account number must be stated on the Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian Applicants may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

5.11 APPLICATIONS IN THE PRIVATE PLACEMENT AND SUBSEQUENT OFFERING BY MAJOR SHAREHOLDERS, MANAGEMENT, SUPERVISORY, ADMINISTRATIVE BODIES AND PERSON/ENTITIES APPLYING FOR MORE THAN FIVE PER CENT OF THE OFFERINGS

5.11.1 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 five per cent of the Private Placement

Investor	Shares subscribed	Share of offering
Anfar Invest AS ³	1,666,666	2,76 %
Geo Innova AS ⁴	666,666	1,10 %
Redback AS ⁵	1,000,000	1,65 %
Shell Technology Ventures ⁶	1,501,947	2,48 %

5.11.2 The Subsequent Offering

To the extent known to the Company, no major Shareholders, members of Management, supervisory and administrative bodies intend to apply for New Shares in the Subsequent Offering, nor does the Company know of any Shareholders who intend to apply for more than 5% of the Subsequent Offering.

5.11.3 The rights conferred by the Private Placement Shares and the New Shares

The Private Placement Shares and the New Shares will in all respects carry full shareholder rights equal to the existing ordinary Shares of the Company from the date the share capital increase is registered in the Norwegian Register of Business Enterprises.

For a description of rights attaching to Shares in the Company, see Section 13.5.6 "Voting rights and other shareholder rights".

³ Indirect ownership by Anders Farestveit

⁴ Indirect ownership by Jan. B. Gateman

⁵ Indirect ownership by Jan P. Grimnes

⁶ Represented in the Board by Bettina Bachman

6 SELLING AND TRANSFER RESTRICTIONS

This Prospectus may not be used for the purpose of, and does not constitute, an offer of, or an invitation to purchase, any of the New Shares in any jurisdiction in which such offer or sale would be unlawful. 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 Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The New Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

6.1 GENERAL

The granting of Allocation Rights and issuance of New Shares upon exercise of Allocation Rights to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise Allocation Rights or purchase New Shares.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the New Shares being granted or offered in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the New Shares (the "Ineligible Jurisdictions"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Allocation Rights to an account of an Ineligible Shareholder or other person in an Ineligible Jurisdiction (such other persons referred to as "Ineligible Persons") does not constitute an offer to such persons of the New Shares. Ineligible Persons may not exercise Allocation Rights.

If a Shareholder purports to be an Eligible Shareholder exercises Allocation Rights to obtain New Shares, unless the Company in its sole discretion determines on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, some or all of the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- (i) the Eligible Shareholder is not located in an Ineligible Jurisdiction;
- (ii) the Eligible Shareholder is not an Ineligible Person;
- (iii) the Eligible Shareholder is not acting, and has not acted, for the account or benefit of an Ineligible Shareholder or an Ineligible Person;
- (iv) the Eligible Shareholder acknowledges that the Company is not taking any action to permit a public offering of the New Shares (pursuant to the exercise of the Application Rights or otherwise) in any jurisdiction other than Norway; and
- (v) the Eligible Shareholder may lawfully be offered, take up, subscribe for and receive Allocation Rights and New Shares in the jurisdiction in which it resides or is currently located.

The Company and any persons acting on behalf of the Company, including the Managers, will rely upon the Eligible Shareholder's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the Eligible Shareholder to liability.

If a person is acting on behalf of a holder of Allocation Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations

and warranties to the Company with respect to the exercise of Allocation Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Allocation Rights and New Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an Eligible Shareholder (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in or subscribe for New Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section 6 is intended as a general overview only. If any investor is in any doubt as to whether it is eligible to exercise its Allocation Rights and subscribe for the New Shares, such investor should consult its professional adviser without delay.

Allocation Rights will initially be credited to financial intermediaries for the accounts of all shareholders who hold Company Shares registered through a financial intermediary and as registered with VPS on the Record Date.

The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person (a) who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Allocation Rights and New Shares, (b) who is unable to represent or warrant that such person is an Eligible Shareholder and (c) who is acting on a nondiscretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Allocation Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Allocation Rights based on the Eligible Shareholders representations and warranties as set out in (i) – (vi) above, or if the Company, at its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. Not all jurisdictions in which shareholders with shares are registered with the VPS on the Record Date were residents are covered by the descriptions above. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting or refusing the holder's exercise of Allocation Rights.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any recipient, offeree, Applicant or purchaser of New Shares regarding the legality of an investment in the New Shares by such recipient, offeree, Applicant or purchaser under the laws applicable to such recipient, offeree, Applicant or purchaser. Each Eligible Shareholder should consult its own advisers before applying for New Shares or applying for New Shares.

A further description of certain restrictions in relation to the Application Rights and the Offer Shares in certain jurisdictions is set out below.

6.2 UNITED STATES

The Allocation Rights and the New Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States.

There will be no public offer of shares in the United States. A notification of exercise of Allocation Rights and Application of New Shares in contravention of the above may be deemed to be invalid.

Pursuant to this Prospectus, the New Shares are being offered and sold (i) in the United States only to a limited number of (a) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) or (b) "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act), pursuant to an exemption from registration under the U.S. Securities Act who have executed and returned an Eligible Shareholder letter to the Company prior to exercising their Allocation Rights in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; (ii) in the United States in a transaction otherwise not subject to, or in reliance on an exemption from, the registration requirements of the US Securities Act and applicable state securities laws; and (iii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act. The Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States in respect of the Application Rights and/or the Offer Shares.

Prospective purchasers are hereby notified that sellers of the Allocation Rights and the New Shares may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Accordingly, subject to certain limited exceptions, this Prospectus will not be sent to any Shareholder with a registered address in the United States. In addition, the Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States in respect of the Allocation Rights and/or the New Shares.

Until 40 days after the commencement of the Subsequent Offering, any offer or sale of the Allocation Rights and New Shares within the United States by any dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act.

Each purchaser of New Shares within the United States acknowledge, represent and agree that:

- (i) Offers and sales of the New Shares in the United States will only be made by the Company to (a) a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, or (b) an "accredited investor" as defined in Rule 501(a) under the U.S. Securities Act, and that it has executed and returned an Eligible Shareholder letter to the Company prior to exercising their Allocation Rights who have executed and returned an investor letter. In accordance with the investor letter, each person to which New Shares are offered or sold by the Company in the United States, by its Application of the new Shares, will be deemed to have represented, warranted, agreed and acknowledged to the Company, on its behalf and on behalf of any investor accounts for which it is applying for Offer Shares, as the case may be, that it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, or an "accredited investor" as defined in Rule 501(a) under the U.S. Securities Act, it is not purchasing New Shares with a view to their distribution in the United States within the meaning of U.S. federal securities laws, and, if it is applying for the New Shares as a fiduciary or agent for one or more accounts, each such account is a qualified institutional buyer, with full investment discretion with respect to each such account, and the full power and authority to make (and does make) the acknowledgements, representations, warranties and agreements in the investor letter on behalf of each such account;
- (ii) it acknowledges that the New Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and cannot be resold or otherwise transferred unless they are registered under the U.S. Securities Act or unless an exemption from such registration is available as set out in the investor letter; and
- (iii) it understands and acknowledges that the foregoing representations, agreements and acknowledgements are requirements in connection with United States and other securities

laws and that the Company, its affiliates and others are entitled to rely on the truth and accuracy of the representations, agreements and acknowledgements contained herein. It agrees that if any of the representations, agreements and acknowledgements made herein and are no longer accurate, it will promptly notify the Company.

Each person to which Allocation Rights and/or New Shares are distributed, offered or sold pursuant to this Prospectus (other than persons who have executed and delivered an investor letter pursuant to the foregoing paragraph) will be deemed, by its Application for Offer Shares, to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is applying for Offer Shares, as the case may be, that:

- (i) the purchaser is, and the person, if any, for whose account or benefit the purchaser is exercising the Allocation Rights or acquiring the New Shares is, outside the United States at the time the exercise or buy order for the Allocation Rights or the New Shares is originated and continues to be located outside the United States, and the person, if any, for whose account or benefit the purchaser is exercising the Allocation Rights or acquiring the New Shares reasonably believes that the purchaser is outside the United States, and neither the purchaser nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- (ii) the Allocation Rights and New Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States; and
- (iii) it acknowledges that the Company, the Managers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of New Shares is no longer accurate, it will promptly notify the Company and the Managers.

6.3 UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The New Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

6.4 EUROPEAN ECONOMIC AREA

In relation to each Member State of the EEA, other than Norway, which has implemented the Prospectus Directive (each a "Relevant Member State"), the Subsequent Offering contemplated by this Prospectus is not made in any such Relevant Member State except that the Subsequent Offering may be made at any time in such Relevant Member State under the following exemptions under the Prospectus Directive, provided such exceptions have been implemented in that Relevant Member State:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro ("EUR") 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

- (iii) to fewer than 100, or if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending the Prospectus Directive, 150, natural or legal persons natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (iv) in any other circumstances, not requiring the publication of a prospectus under Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company or any Manager of a Prospectus pursuant to Article 3 of the Prospectus Directive.

Further, each person in a Relevant Member State other than, in the case of paragraph (i) below, persons receiving offers contemplated in this Prospectus in Norway who receives any communication in respect of, or who acquires any New Shares under, the offer contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- (i) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (ii) in the case of any New Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) such Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer" in relation to any of the New Shares or

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable investors to decide to purchase or subscribe for any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State.

6.5 ADDITIONAL JURISDICTIONS

The New Shares in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Hong Kong, Singapore or any other jurisdiction in which it would not be permissible to offer the New Shares.

7 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".

7.1 INCORPORATION, REGISTERED OFFICE AND REGISTRATION NUMBER

Magseis ASA 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, 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 legal and commercial name is Magseis ASA. The Company's registered address is Dicks vei 10b, 1366 Lysaker, Norway. The Company's website is www.magseis.com and the Company's phone number is +47 21 39 22 40.

7.2 BUSINESS AND COMPANY OVERVIEW

Magseis ASA 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.

The system 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 2013-2016, the Company has completed projects for Statoil, Talisman Energy, Hess, Lundin, Chevron, Petronas 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 become the preferred and leading global provider of OBS services.

7.3 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 currently ongoing. On December 8 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 would necessitate the commercialization of a second, ROV-based, crew. 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.

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 their evaluation of alternatives and announcement on the preferred financing strategy will be made in due course.

Each contract for OBS acquisition is normally entered into with the client. The contracts are negotiated and priced on a project by project basis, in the light of the prevailing market conditions and requirements for each individual project, and the prices and costs are constantly evolving. Please see information regarding material contracts in Section 7.11 “Material Contracts”.

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

Year	Significant events
2009	<ul style="list-style-type: none"> Ivar Gimse and Jan B. Gateman establish Magseis.
2011	<ul style="list-style-type: none"> Successful test of first prototype of MASS-system. Raised NOK 332 million in new equity.
2012	<ul style="list-style-type: none"> Signed a Letter of Intent with Statoil. Entered into a strategic cooperation with Westcon Group. Signed the first OBS acquisition contract with Statoil. Signed a Time Charter contract for Artemis Athene.
2013	<ul style="list-style-type: none"> 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. Entered into contract with Talisman Energy for OBS work on the Varg field.
2014	<ul style="list-style-type: none"> 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.
 - 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.
- 2015
- 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.
 - 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.
- 2016
- 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 in the North Sea using the company's proprietary MASS system expected to commence in Q2 2017.
 - Raised NOK 339.75 million in new equity in the 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.
- 2017
- 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..

Please 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.

7.4 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. Given the autonomous nature of the sensors this means that the Company is able to deploy an OBC in much greater lengths 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 crews that can operate OBS cable inventories of more than 500km, the Company will be able to bring about a significant cost reduction for its clients. Over time, Magseis will target commercialization of these super-crews which combined with advances within seismic source technologies and acquisition methods, will reduce OBS costs to a level where it becomes a widely used tool for not only field development but also for exploration.

7.5 TECHNOLOGY AND SERVICES

7.5.1 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 as its main manufacturing partner for the MASS sensor capsules. Siemens is responsible for the assembly of the units with parts provided by various suppliers.

MASS sensor capsule:	Key specifications:
	<ul style="list-style-type: none">Battery life: 65-75 daysRecording: Full 32 bitTime: < 0.1ms over 15 days

	<p>(uncorrected)</p> <ul style="list-style-type: none"> Water depth: Depth rated to 3,000 meters
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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
	

7.5.2 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. Magseis’ client 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.

The Company’s MASS technology enables the Company to provide high quality OBS data at a lower cost compared with existing competing technologies⁷. 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, please see Section 8.2.2 “Ocean-bottom seismic (OBS) technologies”. Working with its clients Magseis provides survey design and planning as well as

⁷ The sources of such statements are generally publicly available information published by Magseis and other participants within the OBS segment.

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 three 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.

Artemis Athene	Key specifications
	<ul style="list-style-type: none"> • Year built: 1991 (major upgrade 2001 and 2013) • L.O.A / Width: 92m / 18m • DP class: DP2

7.6 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 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 6.2 million as of December 2016, and the funding from Shell is received as a reimbursement of all operational expenses and recognised as a finance arrangement in the financial statements 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.

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

7.7 PATENTS AND LICENSES

As of 16 February 2017, the Company held 20 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 third party patent infringement.

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 additionally been granted in USA and two additionally 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 (7 pending: Angola/Brazil/Canada/ Malaysia/Eurasia/EP/ India)
Seismic sensor capsule calibration system	16.08.2012	21.09.2015	Norway/USA (14 pending: : Angola/ Brazil/Canada/China/ Mexico/Nigeria/ Malaysia/Australia/ Denmark/Eurasia/EP/ UK/Indonesia/India)
System for loading of seismic sensor capsules	27.11.2012	02.03.2015	Norway/USA (12 pending: Angola/Brazil/China/ Mexico/Nigeria/ Canada/Malaysia/ Australia/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 (3 pending: USA/Mexico/Brazil)
System for cleaning of sensor capsules	11.12.2013	27.04.2015	Norway/UK (6 pending: Mexico/Brazil/ Angola/Malaysia/ Indonesia/USA)
System for seismic sensor capsule deployment	24.10.2014	25.07.2016	Norway (PCT pending)

The patents expire after 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.

7.8 ORGANIZATION

Magseis conducts its operations from three different locations. As of 30 December 2016, the Company had a total of 83 employees full time and 25 consultants. The Head Office in Oslo is an operative office.

	Main function	Number of employees 31/12/2016
Oslo, Norway	Head Office	29
Bergen, Norway	Operations Office	10
Stockholm , Sweden	Technology Office	2
Offshore		42
Total		83

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:

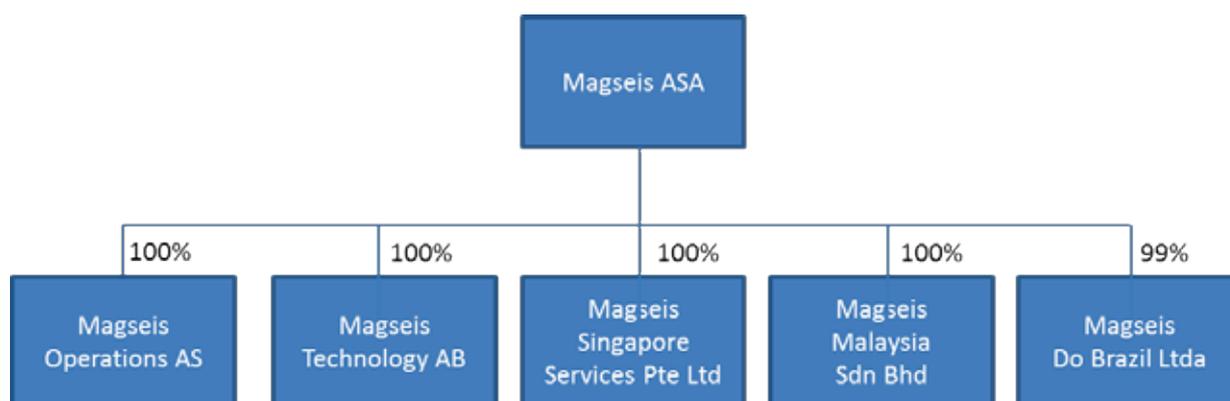
Organizational structure



7.9 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

7.10 FIXED ASSETS AND EQUIPMENT

Fixed assets comprise mainly of a MASS cable inventory of 350km and a total of 5,400 sensor capsules and corresponding handling equipment. The Company had per 31 December 2016 invested a total of USD 68.0 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 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.

7.11 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 has 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 2016 it was announced that the Company has, 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 has an expected duration of 6-7 months and is 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 will mobilise a second, ROV-based crew for the project. The duration of the contract is estimated at approximately 3 months inclusive of mobilisation to the prospect and will commence during Q2 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 ROV-based crew.

On 21 March 2017 it was announced that the Company has 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.

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 only has one vessel in operations. This means that the Company is dependent on the commercial contracts related to that vessel to generate revenues both with respect to the performance of the vessel in order to be able to operate as well as the performance under the client acquisition contracts in order to generate revenues.

8 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.

8.1 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.

8.2 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 angles 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 angles 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.

Today, the price of Brent Crude is fluctuating around USD 40 per barrel and several seismic companies are battling low utilisation and stretched balance sheets.

8.2.1 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. In 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).

8.2.2 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 2000 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 market⁸. 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.

8.2.3 Competitive landscape for OBS providers

As of 2016 Year-End the OBS market capacity counted 11 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 7 out of the total, but only 4 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.

The table below summarizes the key feature of the crews.

⁸ Reference is made to footnote 4.

OBS market capacity (YE 2016)

Company	#	Status	Type	Technology	Details	Max water depth (m)
Magseis	1	Active	OBN	MASS	350km cable / 5,000 nodes	Ultra-deep 3 000
Magseis	2	Active/mobilizing	OBN	MASS	ROV deployment /3000 nodes	Ultra-deep 3 000
Fairfield Nodal	1	Active	OBN	Z-Nodal 700	Nodes on rope / ~4,000 nodes	Shallow/deep 700
"	2	Active	OBN	Z-Nodal 700	Nodes on rope / ~4,000 nodes	Shallow/deep 700
"	3	Active	OBN	Z-Nodal 3000	ROV deployment / ~2,200 nodes	Ultra-deep 3 000
Seabed Geosolutions	1	Stacked	OBC	Sercel SeaRay 300	Electrical cable / 200km cables	Shallow 500
"	2	Stacked	OBC	Sercel SeaRay 300	Electrical cable / 100km cables	Shallow 500
"	3	Active	OBN	Case Abyss	ROV deployment / 1,500 nodes	Ultra-deep 1 200
"		Announced	OBN	Manta	Unknown. See homepage	
WesterGeco	1	Active	OBC	Q-Seabed	Electrical cable / ~200km cable	Shallow/deep 1 500
Ocean Geo	1	Active	OBC	VSO	Electrical cable / ~75km cable	Shallow/deep 2 000

Source: Prepared by Magseis ASA

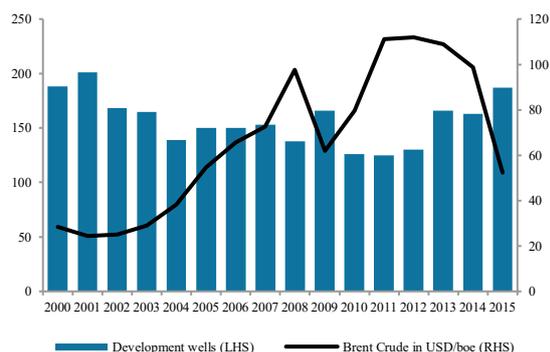
8.2.4 Application of Ocean-Bottom Seismic

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.

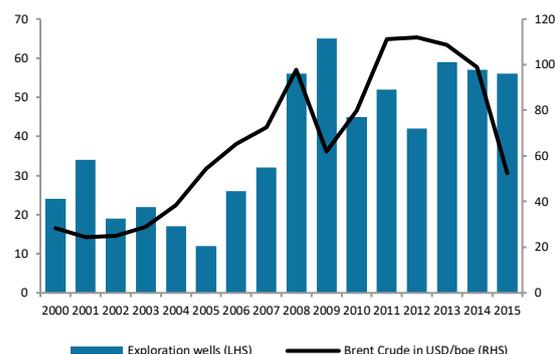
As a general observation, OBS is a less cost efficient way of acquiring seismic data than a streamer based survey. The high cost and long duration associated with OBS surveys stems from the nature of the operation, limitations on deployment and recovery speeds as well as the limited amount of equipment 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 cyclicity 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 cyclicity 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



Number of drilled exploration wells on NCS



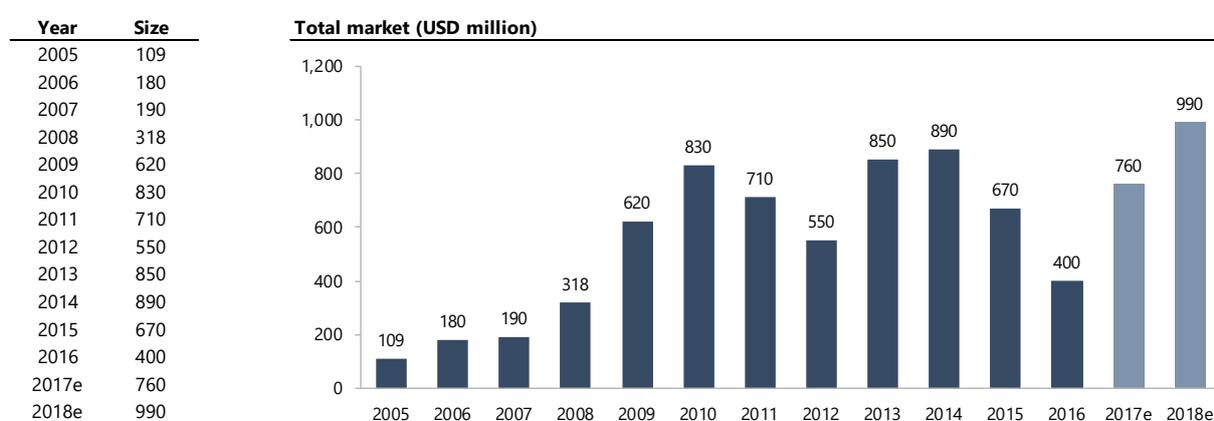
Source: NPD, 2015, Norsk sokkel i tall kart og figurer, <http://npd.no/Tema/Ressursregnskap-og-analyser/Temaartikler/Norsk-sokkel-i-tall-kart-og-figurer>

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.

8.2.5 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. However, based on the already awarded contracts and number of on-going tenders a strong market improvement is expected for 2017 and beyond, which is expected to exceed previous highs in terms of overall market size and OBS adoption among E&P companies.

Historical OBS market



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.

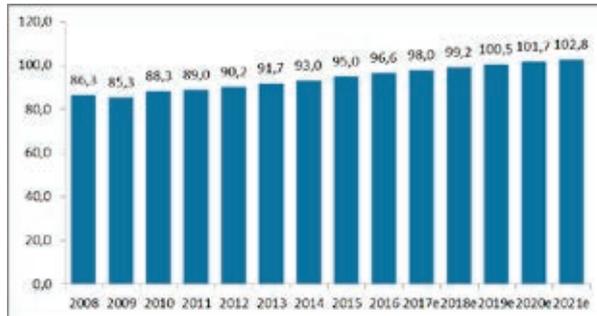
8.3 GENERAL MARKET DRIVERS

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.

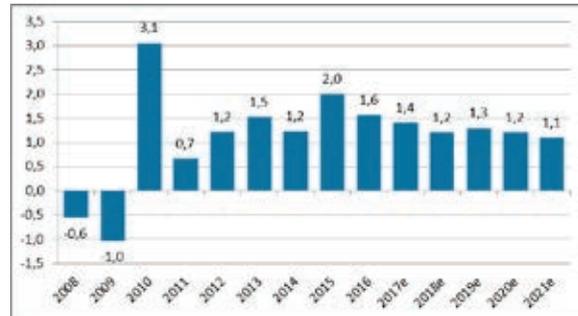
8.3.1 Oil and gas demand

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 94 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 average growth from 2015 to 2020 of between 1.2-1.3 mbd/day.

Total demand (Mb/d)



Demand growth (Mb/d)



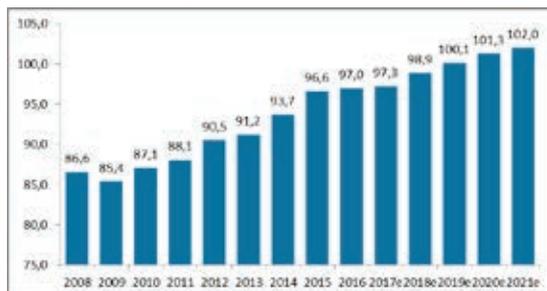
Source: IEA World Energy Outlook 2016. Data available at: https://www.iea.org/bookshop/720-World_Energy_Outlook_2016 at a cost of EUR 120.

The increase in global demand is solely driven by non-OECD countries, which offsets a decline in OECD demand. In its World Energy Outlook 2015, IEA projects an average annual growth of 1.4 mbd in non-OECD demand from 2015 to 2020, and a 0.1 mbd decline in OECD demand.

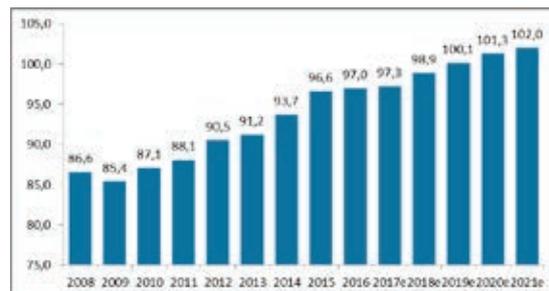
8.3.2 Oil and gas supply

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 2.6 mb/d and 1.6 mb/d respectively, resulting in oversupply of 0.95 mb/d and 1.85 mb/d.

Global oil supply and IEA estimates (mb/d)



Oil supply growth and IEA estimates (mb/d)



Source: IEA World Energy Outlook 2016. Data available at: https://www.iea.org/bookshop/720-World_Energy_Outlook_2016 at a cost of EUR 120.

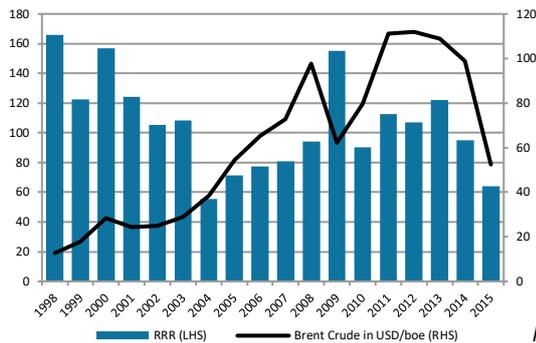
IEA is still expecting oversupply in 2016 but going forward global oil supply is once again expected to grow, although not at the same pace as the demand growth. As seen in the charts below, total global supply growth is expected to remain at fairly modest levels from 2017 onwards. Both OPEC and non-OPEC (incl. OPEC NGLs) are expected to show an average annual supply growth of 0.3 mbd/d for the period of 2015 to 2020, but if adjusting for 2016 when supply growth is +0.8 mbd/d and -0.6 mbd/d respectively, non/OPEC countries are expected to account for the majority of growth in supply.

8.3.3 Projected global E&P spending

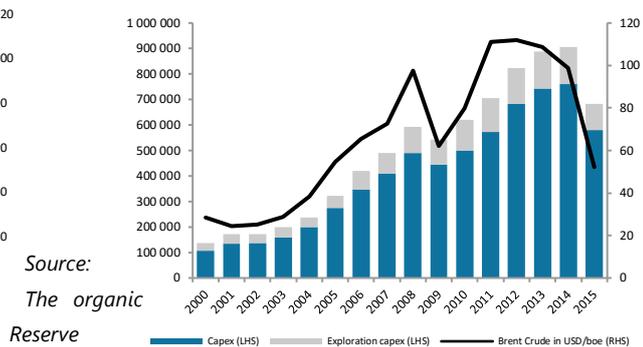
Oil companies are struggling to find new sources of supply to meet the growing demand. Their organic oil & gas reserve replacement ratio ("RRR"), which indicated how much of their production they are able to replace with new discoveries, has shown a declining trend over the last fifteen years. Hence, 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 publicly 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 views the underlying market environment and demand for the Company's services to be more subdued compared to expectations prior to when the oil prices started to drop in 2014.

9 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.

9.1 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.

9.2 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.

On 4 October 2016 the Company announced that Mari Thjømøe resigned as the Chairman of the Board and that the Board of Directors appointed Board member Jan P. Grimnes as the new interim Chairman of the Board until the date of the Annual General Meeting for 2017.

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

Name	Position	Director since	Expire of term	Business address
Jan P. Grimnes	Chairman/Non-Executive Director	2016	2018	Aslakveien 14E, 0753 Oslo, Norway
Jan B. Gateman	Executive Director and SVP R&D	2009	2018	Bjerkelundsveien 104A, Bekkestua, Norway
Bettina Bachmann	Non-Executive Director	2014	2018	Kessler Park 1, 2288 GS Rijswijk, The Netherlands
Jan M. Drange	Non-Executive Director	2016	2018	Langoddveien 31, 1367 Snarøya, Norway

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". Following the resignation by Mari Thjømøe from the position as Chairman of the Board, the composition of the Board of Directors is not currently fully compliant with the requirements for gender representation as set out in the Norwegian Public Limited Liability Companies Act section 6-11 a whereby a Board of Directors consisting between 4 and

5 members shall be represented by at least two members of each gender. It is the intention of the Board of Directors that this will be rectified in connection with the annual general meeting of the Company in 2017.

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

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

Mr. 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). Mr. 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 of offices located in key oil provinces. Since 2004 Mr. 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, Geolnova, 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 Geolnova and InSeis. He holds a Master of Science degree in Marine Geology.

Bettina Bachmann (Non-Executive Director)

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)

Mr. 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). Mr. 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, Mr. 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 Steenstrup Stordrange), Managing Director of Samuel Montagu, Deputy Managing Director and Vice President of Chase Manhattan Bank Norway and Vice President of Den norske Creditbank. Mr. 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.

9.3 EXECUTIVE MANAGEMENT

The Company's Executive Management comprises of the following members:

Name	Position	Employed From
Idar Horstad	CEO	August 2016
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:

Idar Horstad (PhD in Geology, CEO)

Dr. Idar Horstad joined Magseis as CEO in August 2016. He has more than 25 years' experience in the oil and gas industry, the last 17 within management. Idar worked in the exploration department in Saga Petroleum before he joined Fugro-Geoteam in 2000, heading the seismic operations in Norway. In 2002 he became the Managing Director for FMCS with global responsibility for the multi-client activity in Fugro, a position he held until the merger of the Fugro Geoscience Division and CGG in 2013. Idar served as SVP in CGG multi-client and New Ventures. He holds a PhD in Geology from the University of Oslo, Norway.

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.

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's 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.

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

See information in Section 9.2 "Board of Directors".

9.4 REMUNERATION AND BENEFITS

9.4.1 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 directors received no remuneration in the period 1 January 2010 – May 2014.

The compensation for each member of the Board of Directors of the Company for 2015 is set out below. The compensation for each member of the Board of Directors for 2016 will be determined by the annual general meeting to be held in 2017.

REMUNERATION BOARD OF DIRECTORS		
In thousands of USD		2015
Name	Position	
Board of director's		
A. Farestveit	Chairman, Non-Executive	42
N. Matre	Non-Executive Director	35
J. B. Gateman	Director and Senior Vice President	35
B. R. Bachman	Non-Executive Director	35
M. Thjømmøe	Non-Executive Director	35

9.4.2 Executive Management

The salaries and other benefits paid to the Management for the financial year ended 31 December 2015 are shown in the table below;

MANAGEMENT REMUNERATION					
In thousands of USD		Remuneration	Options	Pension	Total
2015					
Name	Position				
I. Gimse	Chief Executive Officer	185	11	10	206
M. Ektvedt	Chief Financial Officer	183	9	9	201
B. Jensen	Chief Operating Officer	160	6	9	175
J.B. Gateman	Senior Vice President	0	8	0	8
Total		529	34	27	590

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, 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 three month's 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.

9.4.3 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 PP ⁹
Board				
Jan P. Grimnes ¹⁰	Chairman/Non-Executive Director	1,000,000	0	1,833,333
Jan B. Gateman ¹¹	Executive Director and SVP R&D	3,905,050	175,000	4,571,716
Bettina Bachmann ¹²	Non-Executive Director	1,501,947	0	4,401,152
Jan M. Drange	Non-Executive Director	0	0	0
Executive Management				
Idar Horstad	CEO	16,000	250,000	16,000
Mikkel Ektvedt	CFO	0	281,580	17,333
Bjørn Jensen	COO	0	105,000	0
Nils Halvor Heieren	CTO	0	56,000	0
Ivar Gimse	SVP Business. Dev.	924,825	515,000	924,825

9.4.4 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 Executive Management.

9.5 FOUNDERS

The Company was founded in September 2009 by Ivar Gimse and Jan B. Gateman. See Section 9.4.1 "Board of Directors" and Section 9.4.2 "Executive Management" for details on Mr. Gimse and Mr. Gateman.

⁹ Shareholding post Private Placement

¹⁰ Indirect ownership through Redback AS

¹¹ Indirect ownership through Geo Innova AS

¹² Shell Technology Ventures BV

9.6 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 Executive 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 Bertil Gateman	Geo Innova AS (CEO and Chairman)	-
Bettina Bachmann	Swiss Shell Pension fund (Director)	
Jan M. Drange	Managing Partner of Diplomatic Services, Oslo	Member of the Control Committee of GE Finance Company, Oslo Norwegian Saudi Arabian Chamber of Commerce, Oslo
Senior Management		
Idar Horstad	-	SVP CGG Managing Director FMCS AS Sevoteam (board member) FMCS Pty Ltd (board member)
Mikkel Ektvedt	Gezina AS (Director) Brøvigtank AS (Director) Black Tusk AS (CEO and Chairman), Enkeltmannsforetaket – Mikkel Ektvedt (Holder)	-
Bjørn Jensen		iSURVEY AS (CEO), PGS Geophysical AS (Vice President Operations)
Nils Halvor Heieren	-	-
Ivar Gimse	Gneis AS (CEO and Chairman)	-
Jan Bertil Gateman	Geo Innova AS (CEO and Chairman)	-

9.7 EMPLOYEES

As of the financial year ended 31 December 2016, the Group had 83 full time employees and 25 full time consultants. Of the 83 employees, 42 are based offshore and 41 are based onshore. The table below illustrates the development in number of employees over the last years, as per the end of each calendar year for 2014, 2015 and 2016.

	2016	2015	2014
Staff position	83	77	58
Contractors/secondees	25	15	12
Total	108	92	70

9.7.1 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 of Directors 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 2016, 530,000 share-options were granted to employees. The grants have a strike price between NOK 12.50 and 15.30, and vesting criteria of which 20% become exercisable after one year, 30% become exercisable after two years and 50% become exercisable after three years. Please see Section 13.1.5 "Options" for further details regarding share-options granted to employees.

9.7.2 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 amount accrued per 31 December 2016 by the Group to provide pension benefits for its employees is USD 509,937.

9.7.3 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.

9.8 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 2015 was adopted by the Board of Directors on 9 May 2016. The Corporate Governance Report for 2015 is incorporated by reference in Section 17.2 "Incorporation by reference" in this Prospectus. The Corporate Governance Report for 2015 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.

9.9 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 still is. At the date of this Prospectus, Westcon owns 5,661,436 Shares corresponding to 9.36% of the issued share capital taking into account the issuance of the Private Placement Shares (but prior to the issuance of the New Shares in the Subsequent Offering). 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. Gateman¹³ owns 4,571,716 Shares corresponding to 7.56% of the issued share capital, taken into account the issuance of the Private Placement Shares (but prior to the issuance of the New Shares in the Subsequent Offering) and 175,000 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 issuer, of the members of the Board of Directors or the Management, and their private interests and or other duties.

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

9.10 BOARD COMMITTEES

Nomination committee:

The Company has established a nomination committee which comprises Roar Bekker (chairperson) and Jon Hille Walle. Both are independent of the Board of Directors and the Management. 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.

¹³ Indirect ownership through Geo Innova AS.

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 ongoing 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 Public Companies Act. It is however the intention that this will be remedied in connection with the annual general meeting for 2017.

Remuneration committee

The Company has established a remuneration committee which comprises Jan Grimnes, Bettina Bachman and Jan Drange. The remuneration committee assists the Board of Directors with matters relating to the compensation and benefits of the CEO and other Executive Management.

9.11 INTEREST IN THE RIGHTS OFFERING

The Managers will receive a fee based on the outcome of the Subsequent Offering. For further information please see Section 5.5 "Proceeds and costs". Employees of ABG Sundal Collier ASA and Arctic Securities AS may also hold shares in Magseis.

10 SELECTED OPERATING AND FINANCIAL INFORMATION

The following selected financial information has been extracted from the Group's audited consolidated Financial Statements for the years ended 31 December 2015 and 2014 and the Group's unaudited interim financial statements for Q4 2016 and full year 2016 and the same period for 2015, which are incorporated by reference to this Prospectus, see Section 17.2 "Incorporation by Reference". The audited financial statements have been prepared in accordance with IFRS. You should read the following discussion of the financial condition and results of operations in conjunction with the financial information included in this Prospectus.

10.1 BASIS FOR PREPARATION

The Audited Financial Statements have been prepared in accordance International Financial Reporting Standards ("IFRS") as endorsed by the European Union and their interpretations adopted by the International Accounting Standards Board ("IASB"). The unaudited interim financial statements included in this Prospectus have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The Audited Financial Statements, are incorporated in this Prospectus by reference, please see Section 17.2 "Incorporation by reference".

10.2 ACCOUNTING PRINCIPLES

Please refer to note 2.4 to the Audited Financial Statements for 2015 for full summary of Magseis' summary of significant accounting policies. Please see Section 17.2 "Incorporation by Reference".

10.3 CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

10.3.1 Selected Consolidated Statement of Comprehensive Income

The table below sets out a summary of information extracted from the Group's audited profit and loss statement information for the years ended December 31 2015 and 2014 and the Group's unaudited profit and loss statement information for Q4 2016 and full year 2016 and the same period for 2015.

<i>In thousands of USD</i>	Three months ending 31.12		12 months ending 31.12		
	2016	2015	2016	2015	2014
REVENUE AND OTHER INCOME					
Revenue	20,024	5,535	58,905	40 671	56 606
Total revenue and other income	20,024	5,535	58,905	40 671	0
OPERATING EXPENSES					
Cost of sales	11,111	8,517	39,038	31 427	39 217
Research and development expenses	660	634	2,022	2 056	1 591
Selling, general and administrative costs	2,287	2,060	7,863	7 569	7 767
Other expenses	435	600	1,475	1 966	2 954
Depreciation	3,111	2,820	10,769	9 193	7 147
Amortisation	133	1,601	1,409	3 978	460
Impairment	393	84	7,441	119	1 119
Total operating expenses	18,130	16,316	70,018	56 308	60 255
OPERATING PROFIT (LOSS)	1,894	-10,781	-11,114	-15 637	-3 649
FINANCIAL INCOME AND EXPENSES					
Finance income	398	67	1,593	283	3 784
Finance costs	-770	-313	-2,986	- 717	-5 514
Net finance costs	-373	-246	-1,393	- 434	-1 730
NET PROFIT (LOSS) BEFORE TAX	1,521	-11,027	-12,507	-16 071	-5 379
Income tax expense	1,463	194	4,188	439	0
NET PROFIT (LOSS)	58	-11,221	-16,695	-16 510	-5 379
Basic earnings (loss) per share	0.00	-0.37	-0.44	-0.58	-0.21
Diluted earnings (loss) per share	0.00	-0.37	-0.44	-0.58	-0.21
OTHER COMPREHENSIVE INCOME					
Currency exchange differences	0	0	0	0	-1 155
Total comprehensive income (loss) for the period, attributable to Owners of the Company	58	-11,221	-16,695	-16 510	-6 534

10.3.2 Selected Consolidated Statement of Financial Position

The table below sets out a summary of information extracted from the Group's unaudited balance sheet information as of December 31, 2016 and the Group's audited balance sheet as of December 31, 2015 and 2014.

<i>In thousands of USD</i>	Year ended 31.12		
	2016	YE 2015	2014
ASSETS			
Non-current assets			
Equipment	42,991	47,346	46 346
Multi-client library	0	877	0
Intangible assets	5,583	3,543	1 939
Total non-current assets	48,574	51,766	48 285
Current assets			
Cash and cash equivalents	18,974	11,435	21 591
Trade receivables	10,681	2,693	7 621
Other current assets	8,436	6,936	4 524
Total current assets	38,092	21,064	33 736
TOTAL ASSETS	86,665	72,830	82 021
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	303	254	237
Share premium	102,594	90,945	83 755
Other equity	3,012	2,630	2 039
Retained earnings	-51,740	-35,045	-18 487
Currency translation reserve	-5,124	-5,123	-5 123
Total equity attributable to equity holders of the Company	49,045	53,661	62 421
TOTAL EQUITY	49,045	53,661	62 421
LIABILITIES			
Non-current liabilities			
Obligation under finance lease	951	1,891	2 739
Other non-current financial liabilities	14,188	4,402	1 369
Total non-current liabilities	15,139	6,293	4 108
Current liabilities			
Trade payables	5,870	7,607	8 050
Current tax payable	2,841	212	0
Current portion of obligations under finance lease	7,881	848	761
Other current liabilities	5,890	4,209	6 681
Total current liabilities	22,481	12,876	15 492
TOTAL LIABILITIES	37,620	19,169	19 600
TOTAL EQUITY AND LIABILITIES	86,665	72,830	82 021

Cost of sales for Q4 2016 included additional costs of USD 2.2 million related to late start compensation. The late start compensation is amortised across the duration of the survey and an accrual for costs to come of USD 2 million has been included under other current liabilities. This accrual may be reduced by the end of the survey.

10.3.3 Selected Consolidated Cash flow statements

The table below has been extracted from the Group's audited Financial Statements for the years ended 31 December 2015 and 2014 and the Group's unaudited interim financial statements for Q4 2016 and full year 2016 and the same period for 2015.

<i>In thousands of USD</i>	Three months ending 31.12		12 months ending 31.12		
	2016	2015	2016	2015	2014
Cash flows from operating activities					
Profit / (Loss) before tax	1,521	-11,027	-12,507	-16,071	-5 379
Adjustment for:					
Income tax paid	-27	0	-64	0	-34
Withholding tax paid	-1,069	-194	-1,069	-439	-498
Deferred lease discount amortisation	-119	-119	-470	-460	7 607
Depreciation and amortisation	3,244	6,453	12,179	13,171	1 119
Impairment	393	84	7,441	119	550
Gain on currency forward contract	0	75	0	0	995
Share based payments expense	78	135	382	591	454
Interest expense	553	157	1,452	595	-242
Interest income	-8	-7	-15	-49	
Working capital adjustments:					
(Increase) / decrease in current assets	5,021	-736	-9,395	2,488	103
Increase / (decrease) in trade and other payables and accruals	-952	2,604	-51	-3,569	1 273
	4,068	1,868	-9,447	-1,081	1 376
Net cash used/from operating activities	8,637	-2,576	-2,117	-3,625	5 948
Cash flows from investing activities					
Interest received	8	7	15	49	242
Acquisition of equipment	-71	-2,033	-13,906	-10,133	-13 403
Payments for capitalised development and intangibles	-235	-762	-2,572	-1,389	-198
Multi-client library investments	0	-3,031	0	-4,383	0
Net cash used in investing activities	-298	-5,819	-16,463	-15,856	-13 359
Cash flows from financing activities					
Proceeds from loan	1,522	1,680	20,306	3,493	5 200
Payment of finance lease obligation and loan	-3,804	-200	-4,431	-761	-685
Proceeds from issue of share capital	0	0	12,183	7,468	20 163
Expenses related to issue of share capital	0	2	-485	-281	-934
Interest paid	-553	-157	-1,452	-595	-454
Net cash used/from financing activities	-2,836	1,325	26,120	9,324	23 290
Net change in cash and cash equivalents	5,503	-7,070	7,540	-10,157	15 879
Cash and cash equivalents at 1 January	13,471	18,505	11,435	21,591	6 867
Net foreign exchange difference		0	0	0	-1 155
Cash and cash equivalents at period end	18,974	11,435	18,974	11,434	21 591

10.3.4 Selected Consolidated statement of Changes in Equity

The table below sets out a summary of Magseis' changes in equity information extracted from the Audited Financial Statements and the Group's unaudited interim financial statements for Q4 2016 and full year 2016.

<i>in thousands of USD</i>	Share capital	Share premium reserve	Share based payments reserve	Retained earnings	Currency translation reserve	Total
Balance at 1 January 2014	186	60 026	1 044	-13 108	-3 968	44 180
Profit / (loss) for the period	0	0	0	-5 379	0	-5 379
Other comprehensive income	0	0	0	0	-1 155	-1 155
Total comprehensive income for the period	0	0	0	-5 379	-1 155	-6 534
Share issuance	43	20 120	0	0	0	20 163
Conversion loan	8	3 992	0	0	0	4 000
Fair value adjustment convertible loan	0	550	0	0	0	550
Expenses related to share issuance	0	-868	0	0	0	-868
Expenses related to conversion of loan	0	-65	0	0	0	-65
Share-based payments (options)	0	0	995	0	0	995
Balance at 31 December 2014	237	83 755	2 039	-18 487	-5 123	62 421
Balance at 1 January 2015	237	83,755	2,039	-18,517	-5,123	62,391
Adjustments to the opening balance	0	19	0	-18	0	1
Adjusted balance at 1 January 2015	237	83,774	2,039	-18,535	-5,123	62,392
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	0	0	0	0	0	0
Total comprehensive income for the period	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 (unaudited)	303	102,594	3,012	-51,740	-5,124	49,446

10.3.5 Significant changes in financial or trading position after 31 December 2016

On 24 March 2017, the Company raised gross proceeds of NOK 339.75 in new equity in the Private Placement, see Section 5.1 "The Purpose of the Private Placement and the Subsequent Offering" and Section 5.2 "The Private Placement".

On 28 March 2017, the Company announced a Subsequent Offering of up to 2,830,800 New Shares, see Section 5.3 "The Subsequent Offering".

Except for the significant changes described above, there have been no significant changes in the financial or trading position of Magseis since 31 December 2016.

10.4 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.

10.5 CONSOLIDATED KEY FINANCIAL FIGURES

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

In thousands of USD

Profit and loss	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Revenues	20 024	5 535	58 905	40 671
Cost of sales	11 111	8 517	39 038	31 427
EBITDA	5 532	-6 276	8 506	-2 347
EBIT	1 894	-10 781	-11 114	-15 637
Net profit/loss	58	-11 221	-16 695	-16 510
Basic earnings per share	0,00	-0,37	-0,44	-0,58

Financial position

Total assets			86 665	72 830
Total liabilities			37 620	19 169
Total equity			49 045	53 661
Equity ratio			56,6%	73,7%

Cash flow

Net cash flow from operating activities			-2 117	-3 625
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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.

10.6 INDEPENDENT AUDITORS

The Company's independent auditor is KPMG AS, (which has its registered address at Sørkedalsveien 6, 0306 Oslo, Norway, and was elected as the Company's independent auditor in 2013. KPMG AS is a member of the Norwegian Institute of Public Accountants (Nw. "Den Norske Revisorforening").

The financial statements of Magseis ASA and the consolidated financial statements of Magseis ASA and its subsidiaries as of December 31, 2015 and 2014, and for the year then ended, incorporated by reference in this Prospectus, have been audited by KPMG AS, independent auditors, as stated in their reports incorporated by reference herein, please see Section 17.2 "Incorporation by Reference".

11 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, 2015 and 2014 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 2016, 2015 and 2014. 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 still is. 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 2016 the remaining life of the lease is 2.0 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 2016 (2015: USD 1.3 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 2016 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 is 77 days.

As of 9 March 2017, Westcon owned 5,328,103 shares in the Company corresponding to 14.1% 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.

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 thousands of
USD*

Name	Transactions	Note	Transaction value		Balance outstanding	
			31 December 2016	31 December 2015	31 December 2016	31 December 2015
J B Gateman	Consultant costs	(I)	167	171	0	39
N Matre/Westcon Group	Leases	(II)	21 928	19 541	3 470	3 673
N Matre/Westcon Group	Other services	(II)	891	1 798	0	24
Total			22 986	21 510	3 470	3 736

Note (I): Jan B Gateman is engaged as an independent consultant as Senior Vice President.

Note (II): 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 2016 the remaining time charter lease term is 2 years and the sale and leaseback is 1 years and 11 months.

12 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 17.2 "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".

12.1 CONSOLIDATED CASH FLOW

Cash flow from operating activities was USD -3.6 million in 2015 compared to a positive USD 5.9 million during the same period of 2014. The deviation from EBITDA (USD -2.3 million) is due to changes in the working capital. The net cash outflow from investing activities amounted to USD -15.9 million for 2015 compared to USD -13.4 million during the same period of 2014. 2015 investments included USD 10.4 million in seismic equipment additions and USD 4.4 million in Multi-client Library investments. In 2015, cash flow from finance activities was USD 9.3 million and reflects a share issue in June and the proceeds related to the cooperation agreement with Shell Global Solutions offset by instalments and paid interest relating to the finance lease. The cash flow from finance activities for 2014 was USD 23.3 million and reflects the share issuance conducted in April 2014 and proceeds from a convertible loan.

Cash flow from operating activities in 2016 was USD -2.1 million. The deviation from EBITDA (positive USD 8.5 million) is due to working capital, specifically a large increase in receivables during 2016 compared to an extraordinary low-level at year-end 2015. The net cash outflow from investing activities amounted to USD -16.4 million. Investments included USD 13.8 million in seismic equipment additions and USD 2.6 million in intangible investments. Cash flow from finance activities was USD 26.1 million which includes USD 11.7 million in net proceeds from a share issue in March 2016 and USD 14.2 million in net debt financing. Net debt financing comprised of USD 20.3 million in new debt in the form of a pre-payment from BGP Arabia for the Aramco survey and long term loans from Export Credit Norway and Innovation Norway, adjusted for USD 5.8 million in repayments. As of end of December 2016, cash and cash equivalents was USD 19.0 million, of which USD 0.2 million is restricted.

Main changes in cash and cash equivalents up to the date of this Prospectus relate to new equity capital of NOK 339.75 million which was approved at the extraordinary general meeting 27 March 2017. Furthermore, total committed capital and operational expenditure investments in 2017 are estimated at USD 21.5 million, as referenced in Section 12.5 "Investments".

12.2 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 2016, 31 December 2015 and 31 December 2014.

Key ratios	2016	2015	2014
Working capital ratio ¹⁴	1.69	1.64	2.18
Debt to equity ratio ¹⁵	0.25	0.06	0.04

¹⁴ Current assets/current liabilities.

¹⁵ Total interest bearing debt/total equity plus total interest bearing debt.

Solidity ¹⁶	0.76	0.90	0.94
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12.3 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 approved by the extraordinary general meeting on 29 April 2016. 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.

As of 31 December 2016, Magseis was funded by USD 103 million in share capital and share premium and had a net total equity capital of USD 49 million. The Company had USD 16.3 million in interest-bearing debt of which USD 8.9 million was non-current and USD 7.4 million was current. The interest-bearing debt consisted of a finance lease for seismic equipment, a prepayment from BGP Arabia repaid over the ongoing survey and two long-term loans. Non-interest-bearing debt amounted to USD 21.3 million whereof USD 6.3 million was non-current and consists primarily of financing for research & development of the node deployer, and USD 15.1 million was current liabilities. In addition the Company held USD 19.0 million in cash, up from USD 11.4 million as of 31 December 2015. Magseis' cash and cash equivalents consisted solely of deposits with banks. Magseis has no undrawn credit facilities. Magseis' cash is held in NOK, USD, SGD, MYR, SAR, SEK and GBP. Magseis' 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 Magseis 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 April 2017 with extension for further work during 2017 on its primary vessel Artemis Athene. On 17 March, the Company announced that it has, 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 has an expected duration of 6-7 months and is expected to commence during April 2017.

In addition, the Company has contracted for a survey for an ROV operation from June to August 2017. Magseis is undertaking tenders for a significant volume of work related to the 2017 and 2018 seasons, and is aiming to expand on its current two vessel operation.

The Board of Directors 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 2016.

¹⁶ Equity/total capital. (Equity + total non-current liabilities)

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.

12.4 CAPITALIZATION AND INDEBTEDNESS

The following tables set forth the capitalization and indebtedness of Magseis as per 31 December 2016 and the date of this Prospectus. The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "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 17.2 "Incorporation by Reference".

<i>Amounts in USD 000</i>	Magseis ASA Group 31.12.2016	Adjustments	As of date of Prospectus
Total Current debt:	22 481	0	22 481
Guaranteed	0	0	0
Secured ¹⁷	2 152	0	2 152
Unguaranteed / Unsecured ¹⁸	20 329	0	20 329
Total Non-Current debt (excluding current portion of long-term debt):	15 139	0	15 139
Guaranteed	0	0	0
Secured ¹⁹	8 874	0	8 874
Unguaranteed / Unsecured ²⁰	6 265	0	6 265
Shareholder's Equity:	49 045	39 992	89 037
a. Share Capital	303	133	436
b. Legal Reserve	102 594	39 858	142 453
c. Other Reserves	-53 852	0	-53 852
Total Capitalization	86 665	39 992	126 657

Indebtedness

<i>Amounts in USD 000</i>	Magseis ASA Group 31.12.2016	Adjustments	As of date of Prospectus
A. Cash	18 741	39 992	58 733
B. Cash equivalents	0	0	0
C. Restricted cash	234	0	234

¹⁷ "Other current liabilities" less unsecured interest bearing debt and other non-interest bearing liabilities.

¹⁸ "Current liabilities" less secured current debt.

¹⁹ "Obligation under finance lease" + "Other non-current financial liabilities" less non-interest bearing debt.

²⁰ "Non-current liabilities" less secured non-current debt.

D. Liquidity (A)+(B)+(C)	18 974	39 992	58 967
E. Current financial receivables	10 681	0	10 681
F. Current bank debt	0	0	0
G. Current portion of non-current debt ²¹	7 388	0	7 388
H. Other current financial debt ²²	5 870	0	5 870
I. Current financial debt (F)+(G)+(H)	13 258	0	13 258
J. Net current financial indebtedness (I)-(E)-(D)	-16 398	-39 992	-56 390
K. Non-current bank loans	0	0	0
L. Bonds issued	0	0	0
M. Other non-current loans ²³	8 874	0	8 874
N. Non-current financial indebtedness (K)+(L)+(M)	8 874	0	8 874
O. Net financial indebtedness (J)+(N)	-7 523	-39 992	-47 516

The change is the Private Placement of NOK 339.75 million in cash and equity (using a USD/NOK exchange rate of 8,4954).

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

The first secured debt facility is 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 2016 the remaining life of the sale & leaseback agreement is 1 year and 11 months.

The second debt facility is a long term loan agreement with Export Credit Norway drawn in August 2016. The loan repayment period is 5.5 years with the first biannual repayment scheduled 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 2016 the remaining life of the loan is 4 years and 8 months.

The third debt facility is a long term loan agreement with Innovation Norway drawn in September 2016. The loan repayment period is 5.5 years with the first biannual repayment scheduled July 2017, and an effective annual interest rate of 4.49%. At 31 December 2016 the remaining life of the loan is 5 years and 4 months.

The Company has entered into loan agreements with Export Credit Norway and Innovation Norway that contain covenants as described in Section 12.3 "Funding structure, restrictions on the use of the capital of the Group".

²¹ Current portion of interest bearing debt ("Other current liabilities" less non-interest bearing debt elements).

²² "Trade payables"

²³ Non-current portion of interest bearing debt ("Obligation under finance lease" + "Other non-current financial liabilities" less non-interest bearing debt).

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 2016 and the date of the Prospectus, the Company has no indirect nor further contingent indebtedness.

12.5 INVESTMENTS

12.5.1 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:

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

A large part of seismic related investments were conducted in 2013 and 2012. Investments made during 2014 and 2015 are 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 are mainly related to the conversion of sensors to the second generation of MASS technology, in addition to the acquisition of new seismic equipment for the capacity requirements of the Saudi Aramco survey.

As of the date of prospectus, investments in 2017 mainly relate to the acquisition of new seismic equipment in support with the expansion of a second crew.

The Company's Research & Development strategy has remained constant since the start of operations which is to continuously develop our 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 2016, 31 December 2015 and 31 December 2014.

<i>Figures in USD thousands</i>	2017	2016	2015	2014
	<i>(to date of Prospectus)</i>			
Intangibles	1 551	2 572	2 075	225
Seismic equipment (1)	1 002	1 425	1 521	4 281
Seismic equipment under finance lease (1) ²⁴	0	0	0	0
Seismic equipment under construction (2)	7 839	12 359	8 780	13 280
Office machines	36	29	67	124
Total capital expenditure investments	10 428	16 385	12 443	17 910

²⁴ 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.

Research & Development 1 ²⁵	510	2 022	2 056	1 591
Multi-Client Library	0	0	4 383	0
Total operational expenditure investments	10 938	18 407	18 882	19 501

12.5.2 Future commitments and plans

As at the date of this Prospectus the Company has entered into commitments for the upcoming ConocoPhillips survey as well as an extension to the Aramco survey in Saudi-Arabia. The table below provides an overview of the already committed investments as well as planned investments and when these will fall due for payment.

Figures in USD thousands	2017 (committed)	2017 (planned)	2018	Total
Intangibles	1 551	1 534	0	3 085
Seismic equipment	8 877	8 138	0	17 015
Total capital expenditure investments	10 428	9 672	0	20 100
Research & Development (OPEX)	510	1 529	2 039	4 078
Total capital and operational investments	10 938	11 201	2 039	24 178

Seismic investments in 2017 are mainly related to seismic equipment acquisitions of USD 14.6 million for the development of an ROV crew ahead of the ConocoPhillips survey. Intangible investments in 2017 relate to research and development efforts surrounding a Deep Water Node Deployer, in addition to other growth initiatives. Other research and development costs to support ongoing Operations in 2017 and 2018 are budgeted at USD 2.0 million. Total committed capital and operational investments amount to USD 10.9 million as of the date of prospectus, and when combined with planned investments amount to a total of USD 22.1 million for 2017.

Intangible investments are largely with Nordic suppliers, and approximately 75% of seismic equipment acquired in 2017 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. Ongoing committed investments as of the date of prospectus have been financed from the Company's cash balance.

12.6 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 2016 and the date of this Prospectus, nor is the Company aware of such changes or trends that may or are expected to be significant to Magseis for the current financial year, except for the changes related to the transactions as set forth below:

As of 17 March 2017, the Company announced that it has, together with its partner BGP, been awarded an extension to the ongoing contract with BGP Arabia and Saudi Aramco to acquire

²⁵ Research & development expensed in the profit and loss.

additional ocean bottom seismic data block in the Red Sea. The project has an expected duration of 6-7 months and is expected to commence during April 2017.

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.

13 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.

13.1 SHARE CAPITAL AND SHARES

13.1.1 General

Magseis ASA is a Norwegian public limited liability company (Nw. allmennaksjeselskap or ASA) incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Companies Act. The Company was founded on 4 September 2009 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, 1366 Lysaker, Norway and telephone number +47 23 36 80 20. Magseis' independent auditor is KPMG, Sørkedalsveien 6, 0306 Oslo, Norway. KPMG is a member of Den Norske Revisorforening (the Norwegian Institute of Public Accountants).

13.1.2 Share capital

As of the date of this Prospectus, Magseis' registered share capital is NOK 1,890,900.70 divided into 37,818,014 Shares each with a nominal value of NOK 0.05. All shares are authorised and fully paid.

Following registration pertaining to the Private Placement Shares, the Company will have a registered share capital of NOK 3,023,400.70 divided into 60,468,014 Shares each with a nominal value of NOK 0.05.

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. The registrar for the shares is DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

13.1.3 Treasury Shares, Warrants and Convertible Loans

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.

13.1.4 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 2017;

- 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 increase the Company's share capital with up to NOK 189,090.10. The authorization can only be used to provide the Company with financial flexibility, including in connection with investments and acquisitions. The authorization cannot be used to issue more shares than which represent 10% of the registered share capital at the time of application.

- An authorization to increase the Company's share capital with up to NOK 625,888.1 to be used for the purposes of the Subsequent Offering directed towards the shareholders of the Company as further described in Section 5.3 "The Subsequent Offering".

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.

13.1.5 Options

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

List of outstanding options	2015	Weighted average exercise price (NOK)	2014	Weighted average exercise price (NOK)
Outstanding at 1 January	1 717 520	20.73	1 485 520	20,17
Options granted	267 000	22.36	235 000	24,28
Options exercised	0		0	0
Options forfeited	0		0	0
Outstanding on 31 December	1 984 520		1 717 520	
Exercisable at 31 December	926 720	19.87	409 940	18,95

At 31 December 2015, 1 984 520 options were outstanding of which 926 720 were exercisable and have an exercise price in the range of USD 1.10 to USD 2.70 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.

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 1.10 to USD 2.70 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 175 000 options were outstanding and 163 000 were exercisable at the date of this Prospectus. Outstanding options have a weighted remaining option life and exercise period of 1.17 years. The weighted average exercise price is NOK 20.99.

Idar Horstad has been allocated 250 000 options of which all options were outstanding at the date of this Prospectus. Outstanding options have a weighted remaining option life and exercise period of 3 years. The weighted average exercise price is NOK 12.50.

Ivar Gimse has been allocated 515 000 options of which 265 000 options were outstanding and 238 000 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 13.70-23.75.

Mikkel Ektvedt has been allocated a total of 281 580 options of which all 281 580 options were outstanding and 238 000 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 9.7 – 23.75.

Bjørn Jensen has been allocated a total of 105 000 options of which all 105 000 options were outstanding and 51 000 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 22 – 25.

Senior employees have been allocated a total of 221 600 options of which all 221 600 options were outstanding and 178 400 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 20.90 – 22.

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.

13.1.6 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.

13.1.7 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".

13.1.8 Mandatory offers

Reference is made to Section 14.8 "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.

13.2 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 2014 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

Note: NOK, except for number of shares.

As of 1 January 2015, the Company had a total number of shares of 27,162,561 each with a nominal value of NOK 0.05.

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

13.3 MAJOR SHAREHOLDERS

The 20 largest shareholders of Magseis per 24 March 2017, which was the latest practicable date prior to the date of this Prospectus, are shown in the table below:

	NAME	SHARES	%
1	WESTCON GROUP AS	5 328 103	14.09%
2	ANFAR INVEST AS	4 363 524	11.54%
3	GEO INNOVA AS	3 905 050	10.33%
4	CLIPPER A/S	2 158 409	5.71%
5	VERDIPAPIRFONDET PARETO INVESTMENT	1 742 591	4.61%
6	BARRUS CAPITAL AS	1 625 685	4.3%
7	JPMORGAN CHASE BANK, N.A., LONDON	1 501 947	3.97%
8	VPF NORDEA KAPITAL	1 323 265	3.5%
9	KLP AKSJENORGE	1 304 615	3.45%
10	CITIBANK, N.A.	1 178 723	3.12%
11	REDBACK AS	1 000 000	2.64%
12	VPF NORDEA AVKASTNING	942 507	2.49%
13	GNEIS AS	924 825	2.45%
14	KOMMUNAL LANDSPENSJONSKASSE	908 780	2.4%
15	JPMORGAN CHASE BANK, N.A., LONDON	835 186	2.21%
16	ALTITUDE CAPITAL AS	689 839	1.82%
17	INVESCO PERP EURAN SMLER COMPS FD	638 048	1.69%
18	MP PENSJON PK	595 075	1.57%
19	EUROCLEAR BANK S.A./N.V.	418 399	1.11%
20	WESTMAR AS	400 400	1.06%
	Total number owned by top 20	31 784 971	
	Other shareholders	6 033 043	
	Total number of shares	37 818 014	

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.

Please refer to Section 13 "Share Capital and Shareholder matters", in particular Section 13.5, 13.6 and 13.7 thereof, and Section 14 "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.

13.4 DISCLOSURE OF NOTIFIABLE SHAREHOLDINGS

As of 24 March 2017, which was the latest practicable date prior to the date of this Prospectus, and not 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): Westcon Group AS, Anfar Invest AS, Geo Innova AS and Clipper A/S.

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.

13.5 ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS

13.5.1 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.

13.5.2 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.

13.5.3 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.

13.5.4 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.

13.5.5 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.

13.5.6 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 14.9 "Compulsory Acquisition". There are no conversion provisions applicable to the Shares.

13.5.7 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.

13.6 CERTAIN ASPECTS OF NORWEGIAN LAW

13.6.1 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.

13.6.2 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.

13.6.3 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.

13.6.4 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.

13.6.5 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.

13.6.6 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.

13.6.7 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.

13.6.8 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. After completion of the Offering, the New Shares and the existing Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

13.6.9 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.

13.7 SHAREHOLDER, DIVIDEND AND DIVIDEND POLICY

This Section provides information about the shareholder policy, dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Norwegian Public Limited Liability Companies Act (Nw. allmennaksjeloven). Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS. The following discussion may contain Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.1 "Cautionary Note Regarding Forward-Looking Statements".

13.7.1 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..

13.7.2 Dividend policy

In view of the Company's planned expansion and growth of its business, Magseis ASA 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.

13.7.3 Dividend history

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

13.7.4 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.

13.7.5 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 15.2 "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.

14 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 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.

14.1 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.

14.2 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.

14.3 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.

14.4 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.

14.5 FOREIGN INVESTMENT IN NORWEGIAN SHARES

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

14.6 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.

14.7 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.

14.8 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.

14.9 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.

14.10 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.

15 TAXATION

Set out below is a summary of certain Norwegian tax matters related to the holding of Shares and Allocation Rights 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.

15.1 NORWEGIAN SHAREHOLDERS

15.1.1 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 1.24 and taxed as ordinary income at a flat rate of 24%. The effective tax rate for taxable dividends is hence 29.76%.

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 0.4%. 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 24%, implying that dividends from shares qualifying under the participation exemption method are effectively taxed at a rate of 0.72%. 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 24%, 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 entered 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 further 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 1.24 and taxed as ordinary income at a flat rate of 24%. The effective tax rate for taxable distributions is hence 29.76%. 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.

15.1.2 Capital Gains Tax

Norwegian Individual Shareholders

Sale, 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 1.24 and taxed as ordinary income at a flat rate of 24%. The effective tax rate for taxable gains is hence 29.76%. A loss is multiplied with 1.24 and is tax deductible from the ordinary income basis with a corresponding tax value of 29.76%. 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, 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 1.24 and taxed as ordinary income at a flat rate of 24%. The effective tax rate for taxable distributions is hence 29.76%. 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.

15.1.3 Taxation of Allocation Rights

A Norwegian Shareholder's subscription for shares pursuant to Allocation Rights is not subject to taxation in Norway. Any costs related to the subscription for shares will be added to the cost price of the shares.

15.1.4 Net Wealth Tax

The value of shares and Allocation Rights 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, including Allocation Rights, is the listed value as of 1 January in the year of assessment.

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

15.1.5 Inheritance tax

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

15.2 FOREIGN SHAREHOLDERS

15.2.1 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% is normally 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 accounting and 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% is normally 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.

15.2.2 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.

15.2.3 Taxation of Allocation Rights

A Foreign Shareholder's subscription for shares pursuant to Allocation Rights is not subject to taxation in Norway.

15.2.4 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.

15.2.5 Inheritance tax

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

15.3 DUTIES ON THE TRANSFER OF SHARES

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

16 LEGAL MATTERS

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.

17 ADDITIONAL INFORMATION

17.1 SIGNIFICANT HOLDINGS OTHER THAN SUBSIDIARIES

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

17.2 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 2015 http://magseis.com/investors/reports/	18-48
		Annual report 2014 http://magseis.com/investors/reports/	17-41
Section 10, 12	Interim financial information (Annex XXV section 20.1)	Q4 2015 http://magseis.com/investors/reports/	8-19
		Q4 2016 http://magseis.com/investors/reports/	9-20
Section 4, 10	Audit report (Annex XXV, section 20.3)	Annual report 2015 http://magseis.com/investors/reports/	49-50
		Annual report 2014 http://magseis.com/investors/reports/	43-44

17.3 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 Fornebuveien 5, 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.
- The audited consolidated financial statements for Magseis for the financial year 2014 and 2015.
- The historical financial statements of the subsidiaries of the Company for the financial years 2014 and 2015.
- Stock exchange notices distributed by the Company through Oslo Børs' information system.

- This Prospectus.

17.4 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.

18 DEFINITIONS AND GLOSSARY OF TERMS

Accredited Investor	Accredited Investor as defined under rule 501(A) of the Securities Act
Allocation Rights	Non-transferable Allocation Rights that provide preferential rights to subscribe and to be allocated New Shares at the Subscription Price
Articles or Articles of Association	The articles of association of Magseis ASA, as amended and restated from time to time
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations
Audited Financial Statements or Financial Statements	The Group's audited consolidated financial statements as of, and for the years ended 31 December 2015 and 2014
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
Bookrunners	ABG Sundal Collier ASA and Arctic Securities AS
CEO	Chief Executive Officer
Code	Norwegian Code of Practice for Corporate Governance
Company Register	The Norwegian Register of Business Enterprises
Company or Magseis	Magseis ASA, a Norwegian public limited company
DP	Dynamic Positioning
EGM	Extraordinary general meeting of the Company
EEA	European Economic Area
Eligible Shareholders	Shareholders of the Company at the Record Date, except for those shareholders who were not invited to participate, or applied for but were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.
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
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)
GIEK	Norwegian Export Credit Guarantee Agency
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
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by EU
Ineligible Jurisdictions	Member states of the EEA that have not implemented the Prospectus Directive, Australia, Canada, Hong Kong, Japan, the United States, Switzerland or any other jurisdiction in which it would not be permissible to offer the Allocation Rights and/or the New Shares
Ineligible Person	Other person than a Shareholder in an Ineligible Jurisdiction
Ineligible Shareholders	Allocation Rights of Eligible Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for New Shares
Innovation Norway	Norwegian Government's instrument for innovation and

	development of Norwegian enterprises and industry
ISIN	Securities number in the Norwegian Registry of Securities (VPS)
Joint Lead Managers and Bookrunners or Managers	ABG Sundal Collier ASA and Arctic Securities AS
KPMG	KPMG AS
LIBOR	The London Interbank Offered Rate; the reference interest rate quoted between banks in London
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
New Shares	Subsequent offering and listing of up to 2,830,800 new shares in the Company
NOK	The Norwegian kroner, the lawful currency of the Kingdom of Norway (Norwegian: "krone")
NCS	Norwegian Continental Shelf
Norwegian Accounting Act	Norwegian Accounting Act of 17 July 1998 no. 56
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 Money Laundering Act	Norwegian Money Laundering Act of 2009
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 transform 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 an 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)
Payment Date	18 April 2017, being the due date for payment for the New Shares
Private Placement	The private placement announced on 23 March 2017 and resolved by the EGM on 27 March 2017
Private Placement Shares	22,650,000 shares issued in the Private Placement to be listed on Oslo Axess.
Prospectus	This Prospectus prepared in connection with the application for listing of the Company's Shares on Oslo Axess
QHSE	Quality, health, Health, Safety and Environment
QIBs	Qualified Institutional buyers, as defined in Rule 144A under the U.S. Securities Act
R&D	Research and development
Record Date	Shareholders of the Company as of end of trading 23 March 2017 as registered with the VPS on 27 March 2017
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, the 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 par value NOK 0.05 in the capital of the Company
Subscribers	Subscribers (the "Subscribers") in the Subsequent Offering by the Company or the Managers
Subscription Form	The form which subscription for New Shares must be made
Subscription Price	NOK 15 per share
Subscription Period	29 March 2017 to 11 April 2017 at 16.30 CET.
Subsequent Offering	Offering of New Shares upon exercise of Allocation Rights
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 Magesis ASA
Adopted 27 March 2017

§ 1

The company's name is Magesis 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 3,023,400.70²⁶ divided into 60,468,014²⁷ 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

²⁶ Including Private Placement subject to registration.

²⁷ Cf. footnote 26.

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.

APPENDIX B:

APPLICATION FORM