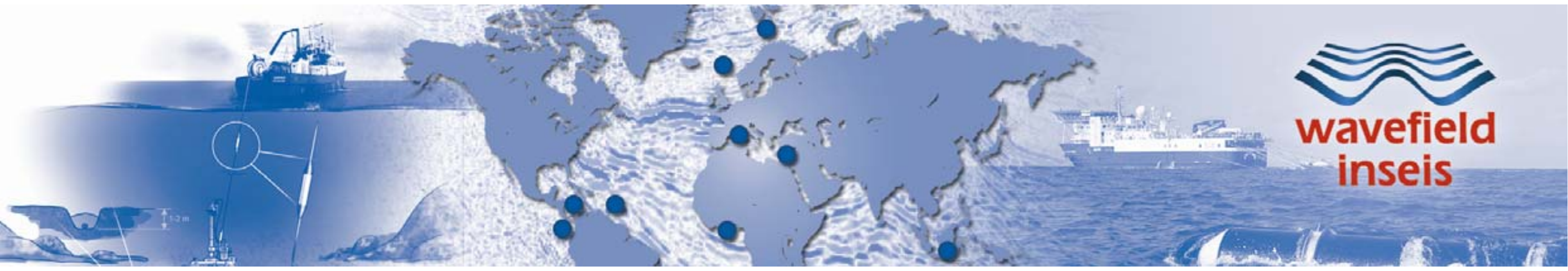


Wavefield Inseis AS - 4th Quarter 2006 Results

“On track building a global geophysical service company”

February 19th., 2007: Oslo, NORWAY – Wavefield Inseis AS (OTC: WAVE)
announced unaudited fourth quarter 2007 results under IFRS in accordance with IAS 34

4th Quarter Highlights

- Consolidated Q4 Revenues of $ 26,3 million compared with $ 2,2 million in Q4 2005, an increase of $24,1 million.
- Q4 Operating profit (EBIT) of $ 10,5 million compared with $ 1,3 in Q4 2005, an increase $ 9,2 million.
- Earnings per share were $ 0,10, compared to $ 0,02 in Q4 2005.
- First quarter with full operation for the Wavefield Commander and Bergen Surveyor. Successful performance in Africa and South America
- Establishing Multi-Client sales and marketing organization in the Gulf of Mexico
- Acquisition of 35% of Optoplan AS, position WFI for commercialization of next generation of 4C fiber-optic seabed system.

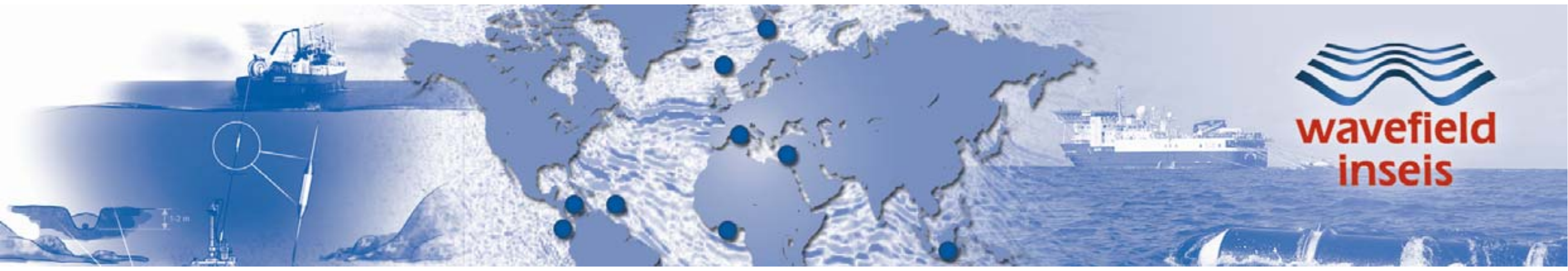
12 Months Highlights

- Consolidated revenue (net) of $ 30,2 million compared with $ 4,5 million in 2005, an increase of 571 %
- Operating profit (EBIT) of $ 10,5 compared with $ 2,4 in 2005, an increase of 456 %
- Earnings per share were $ 0,13 compared to $ 0,11in 2005
- A successful merger and integration of Inseis AS and Wavefield Geophysical AS has been performed, immediate synergy effects.
- New equity of USD 128 mill. (gross) raised during 2006, provides fundamental basis for planned growth
- Organisation established – very experienced management team, highly competent operational and technical staff recruited during 2006.

“The strong operating performance in Q4 demonstrates that we are on track building a full service marine geophysical company. Furthermore, our financial performance proves that our strategy of deploying capacity into the market at an early stage of the cycle has been successful. With more new vessels to be deployed early in 2007 we are in a unique position to take advantage of continued strong market fundamentals” stated CEO Atle Jacobsen.

“The announced agreement with Weatherford and our plans to launch the next generation fiber-optic 4C permanent seabed system indicates our commitment to innovative technology and an ability to create value in segments other than the traditional towed streamer business"

Contacts:
Atle Jacobsen, CEO, Tel; +47 56 11 48 02 atle.jacobsen@wavefield-inseis.com
Erik Hokholt, CFO, Tel; +47 67 82 84 09 erik.hokholt@wavefield-inseis.com



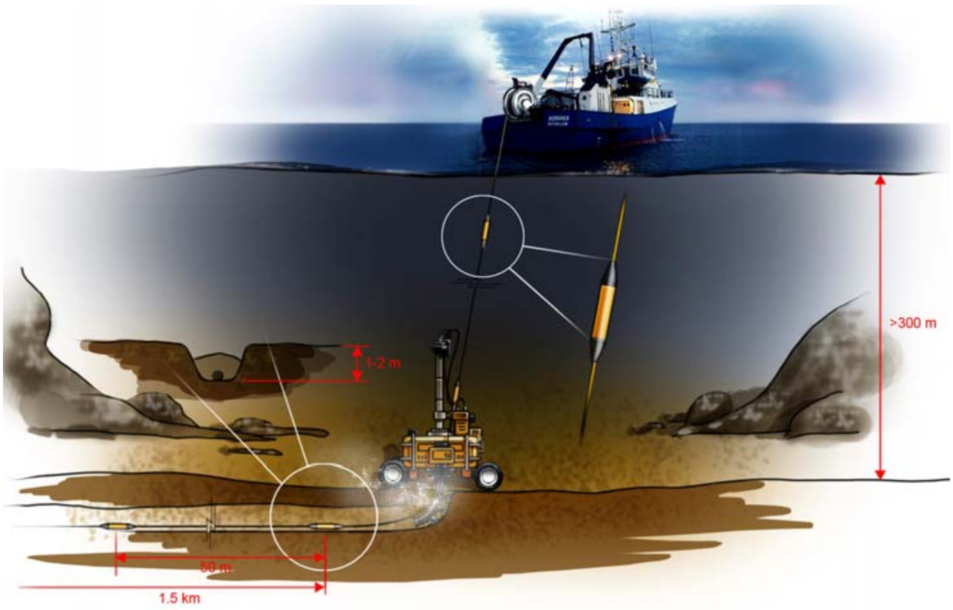
Operations

The company's two business segments are:

- Seismic
- New technology development

Within the segment Seismic the activity of seismic vessel operation and marine contract seismic acquisition exclusively for oil companies is new activity within the company compared with Q4 2005.

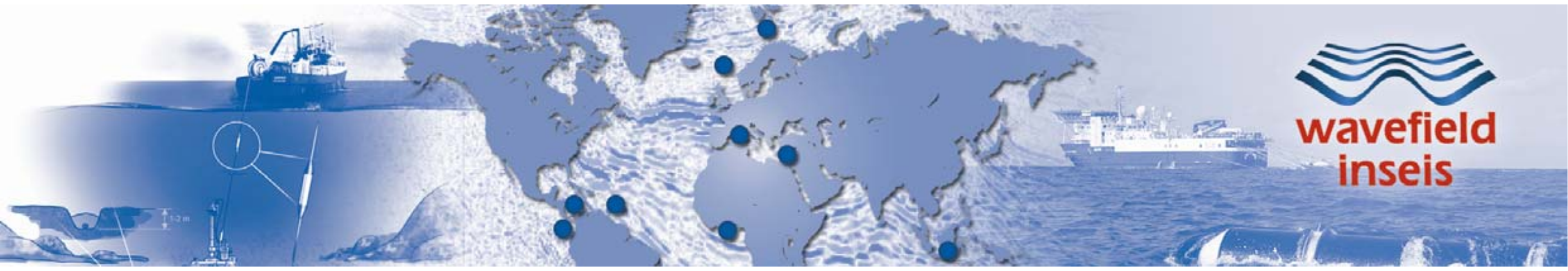
The new technology development segment includes the company's investment in the final development and commercialisation of the next generation 4C seabed cable and includes R&D investments electromagnetic technology.



Consolidated revenues in Q4 2006 were $ 26,4 million, an increase of $ 24,1 million from $ 2,2 million in Q4 2005. The increase of consolidated revenues is primarily attributable to introduction of the marine contract seismic acquisition business segment.

Consolidated operating profit showed strong improvement rising to $10,5 million for Q4 2006 compared to $ 1,3 million in Q4 2005.

Marine contract revenues was $ 24,4 million in Q4 2006 were generated by the long offset 2D vessel Bergen Surveyor and the multi-streamer vessel Geowave Commander. During the quarter, Bergen Survey carried out a part of a 3D survey for Idemitsu in the North Sea before starting on a five months project for Falkland Oil and Gas, offshore Falkland. Geowave Commander completed the priority area of a high profile 3D survey for Statoil in the Barent sea followed by a large 3D offshore Equatorial Guinea. Both vessels delivered an operational performance that exceeded the Company's expectations.



Driven primarily by sales in Colombia and North West Europe, the multi-client sales (net) in Q4 2006 was $ 2,0 million, compared with 2,2 million (net) in Q4 2005. At the end of Q4, a large long offset multi-client program covering the all of the continental shelf of Barbados was started using a high capacity vessel chartered initially for this project.

Specification of Revenues

	Quarter ended Dec 31, 2006	Quarter ended Dec 31, 2005	Year ended Dec 31, 2006	Year ended Dec 31, 2005
Operating revenues				
Exclusive contract revenue	24 374		25 993	
Multi-Client revenues	3 117	5 022	6 750	9 132
Revenue sharing	(1 142)	(2 775)	(2 568)	(4 679)
	26 349	2 247	30 175	4 453

EBIT and EBITDA

Operating profit (EBIT) for the quarter of $ 10,5 million represented 40 % of net revenues this was $ 9,2 million higher than the $1,3 million reported in Q4 2005.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) for the quarter ended December 31st was $ 14,2 million, 53,8% of net revenues, up from $1,9 million in Q4 2005.

Financial Items

Net financial income for Q4 2006 was $ 1,2million, compared to a net financial expense of $ 0 million for Q4.2005. On year to year basis net financial items increased by $ 0,8 million.

The interest expense element of all Financial Lease assets and financed seismic equipment is charged as Financial Expense

All exchange differences from translating from NOK to USD as functional currency for the parent company has been recognized through the profit and loss account as Exchange gains/losses. The exchange from NOK to USD has been made on a monthly basis using the average exchange rate of the month.

Tax

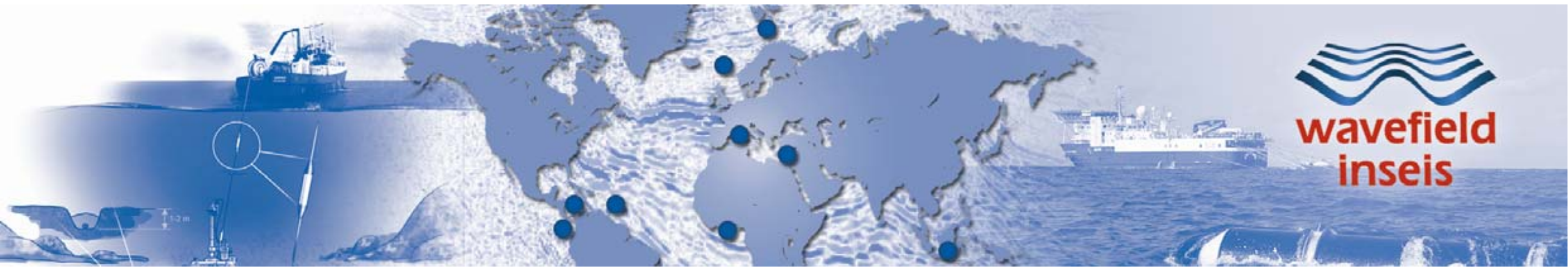
The nominal Norwegian corporate tax rate is 28%. The effective tax rate for the Group can be affected by taxes related to companies or operations outside Norway.
The Group has no previous-year related tax losses carried forward.

For 2006, the effective tax rate is affected by equity issuance costs charged directly to equity capital, these costs are tax deductible. Consequently, the actual effective tax rate for 2006 is only 14%. Going forward, we expect an ordinary tax rate of 28%.

Net Income

Net Income for Q4 2006 was $ 10,2 million compared with $ 0,7 million from Q4 2005

Accumulated Net Income for 2006 was $ 9,6 million compared with $ 1,7 million for 2005.



Multi-Client Investments

The Company's operational investments in its data library during Q4 2006 were $ 0,8 million, compared with $ 2,6 million for Q4 2005. Total investment for the full year 2006 was $ 8,1 million compared with $ 4,1 million in 2005.

US$ 000'	Quarter ended Dec 31, 2006	Quarter ended Dec 31, 2005	Year ended Dec 31, 2006	Year ended Dec 31, 2005
Beginning Net Book Value	9 820	1 495	3 558	1 421
Operational Investments	757	2 633	8 051	4 054
Amortization	(925)	(570)	(1 957)	(1 197)
Disposals				(721)
Ending Net Book Value	**9 652**	**3 558**	**9 652**	**3 558**

Balance Sheet and Cash Flow

Cash and Cash equivalents balance was $ 116,5 million at the end of the quarter, compared to $ 20,1 million at year-end 2005. Total liabilities at the end of the quarter were $ 46,5 million of which $31,3 million is interest bearing debt.

In connection with the new Vessel building program, the Company has invested $ 65,1 million in Seismic Equipment and leased assets. The Company did not have any Seismic equipment invested in previous years.

Within the segment New Technology, the Company has invested $ 10,4 million as minority interest in associates.

Total equity as per December 31st. 2006 was $ 151,5 million, representing 76,5 % of total assets. During 2006 a total of $ 128,2 million has been raised in new equity.

Shares

Total outstanding numbers of shares in the Company is 116.801.000.

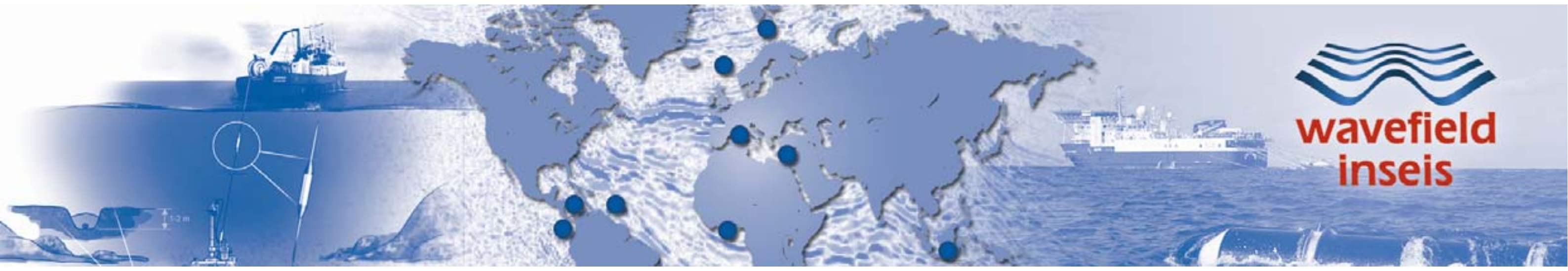
The Board of Directors has been granted authority to issue 5 million shares in connection with share option programs. A total of 3.128.000 options have been allocated under these programs as per year-end 2006.

Organisation

As indicated in previous reports, there has been continued strong focus on recruitment in order to facilitate the planned expansion that is scheduled for the first half of 2007. Response to international recruitment campaigns has been strong with over 1500 applications worldwide, allowing the continued recruitment of first class employees to continue.

As of year-end 2006, the company have completed recruitment for the Geowave Champion and all key positions for Geowave Master. The Company will continue to recruit for the Malene Østervold and operator-level positions for the Geowave Master.

The Company is strengthening the onshore organization in parallel with, but ahead of, increased activity levels. As much as is prudent, the Company has been front loading the onshore organisation based on the expected activity increase.



Outlook 2007

Wavefield Inseis' tender activity is steadily increasing as the mainstream oil companies become aware of the Company and its capacities.

M/V Geowave Commander is currently working offshore Libya for Petrobras. On completion of this contract, the vessel will continue in Libya for CNPC, before returning for a full season for Statoil in Norway.

M/V Bergen Surveyor is making good progress on the contract for Falkland Oil and Gas and expect to complete in end April. On completion, the vessel will acquire a multi-client project in South America.

In addition to supporting these vessels, the main focus for the organisation during the first half of 2007 will be the successful commissioning of three more vessels. Bringing these vessels out on time and budget is a challenge for any organisation at this time in the oil and gas business cycle. Working with yards and equipment suppliers are key areas for ensuring success.

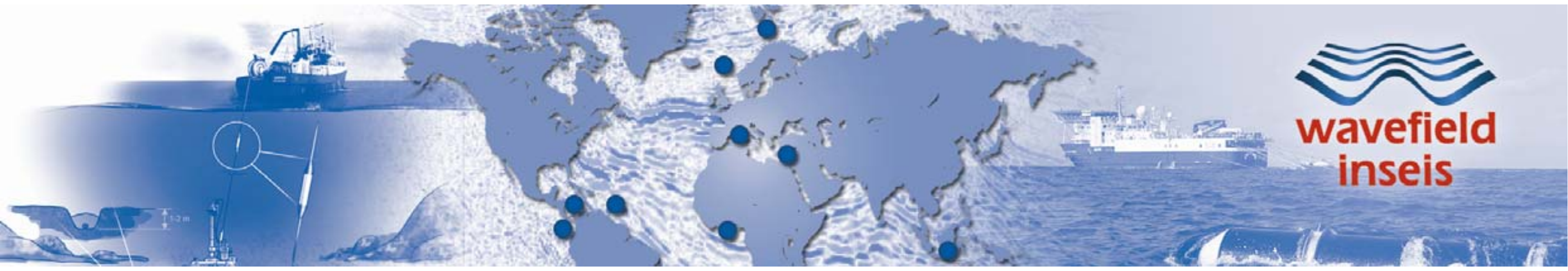
Geowave Champion (3D 12 streamers) is in the final stages of outfitting at Fitjar Yard, Norway. This conversion, from a large trawler, has been extensive and challenging, however a realistic scheduled delivery from yard is still expected at mid to end April. The targeted start of operations for a full season with Statoil is the beginning of May.

Geowave Master (3D 12 streamers) conversion is progressing well at the Astander Yard in Spain. Due to constraints in yard availability, the yard work started three weeks later then initially planned however, delivery from the yard remains end June. Production start is expected by early July, as previously guided.
The Astander yard currently has a high capacity and the vessel owner and manager, Geo ASA, have experience successfully converting two vessels at this yard in recent years. As with the Geowave Commander, the Geowave Master was a large cable-layer and the Company's staff will use their recent knowledge of converting the first vessel on the conversion of Master. The Company is optimistic that the Vessel will be delivered on schedule.

The conversion of Malene Østervold (2D) back to a seismic vessel is still at the project stage and yard work has not yet started. The vessel has previously been a seismic vessel so the conversion is limited. Wavefield Inseis has decided to convert the vessel into a similar configuration as Bergen Surveyor (high class long offset 2D/small 3D vessel). This will give the vessel a more flexible utilisation profile. The improved capacity will increase the complexity of the conversion and the vessel is estimated to be delivered from yard in May 2007.

The Wavefield Inseis flag ship is the high capacity multi-streamer vessel Geowave Endeavour (3D 16 streamers) and is at the early stages of the new-build process. The steel work has started and Fosen Yard is on track for an April 2008 delivery.

Due to strong demand and high rates in the contract market, the Company has chosen to allocate Geowave Commander and Bergen Surveyor to this market segment. To deliver capacity to our multi-client business segment, Wavefield Inseis has chartered in a third party vessel to acquire a 6000km 2D multi-client project covering the continental shelf of Barbados. Wavefield Inseis has entered into an exclusive agreement for this acquisition. Gravity and magnetic data are also being acquired in conjunction with the survey. Acquisition of the program is expected to be completed by end-February



2007 and processed data is expected to be available to participants in the second quarter. There is a strong industry interest for this project.

This contracted third-party vessel has four-streamer 3D capacity. Wavefield Inseis has extended the charter of this vessel to carry out two smaller contract 3D projects in the North Sea on completion of the ongoing multi-client program.

Looking forward into the next 24 months, the Company remains confident, given the current global economic environment, that spending in exploration will strengthen even further and that demand for seismic services will continue to be strong and continue to exceed available capacity. These trends are supported by the following observations from the marine segment of the industry:

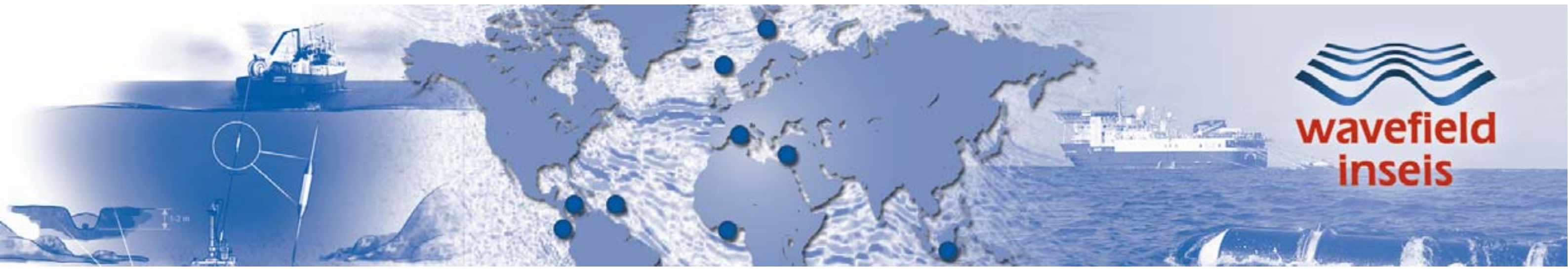
- Work tendered in 2007 is rolling over to 2008 prior to the start of this season. This effect is traditionally experienced at the end of a season with high activity level.
- Record high backlog amongst the seismic majors.
- Significant delays (6-12 months) reported on several of the new builds that were initially planned to be available in early 2007.
- A race to cover the deepwater acreage in the Gulf of Mexico with Wide Azimuth data. It is expected that four to six high capacity 3D vessels will be involved in this race during 2007. All projects are reported to be heavily pre-funded.

The first pilot 4C fibre-optic permanent seabed installation is planned for Q3 2007.

The ongoing strength of the traditional towed-streamer segment, together with the expected introduction of new and step-changing technology in less competitive segments of the industry create a very positive outlook for Wavefield Inseis for 2007 and beyond.

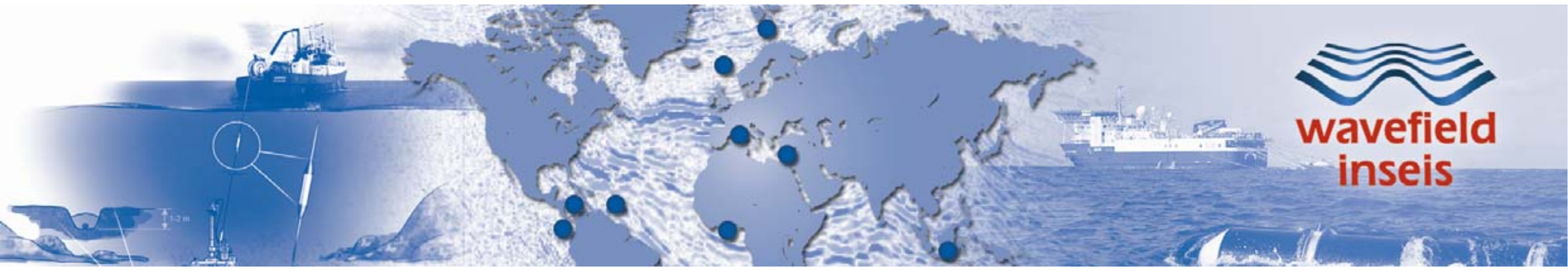
The Company's expectations for the full year 2007 are as follows:

- Revenues in the range of $ 180-200 million.
  Assuming three vessels involved in Multi-Client GoM. This affects the overall contract/Multi-Client utilization ratio.
- Capital Expenditures at approximately $ 150 million (including new technology).
- Multi-Client library investments of $ 50 million with an average annualized Multi-Client amortization rate in the range of 42-47%



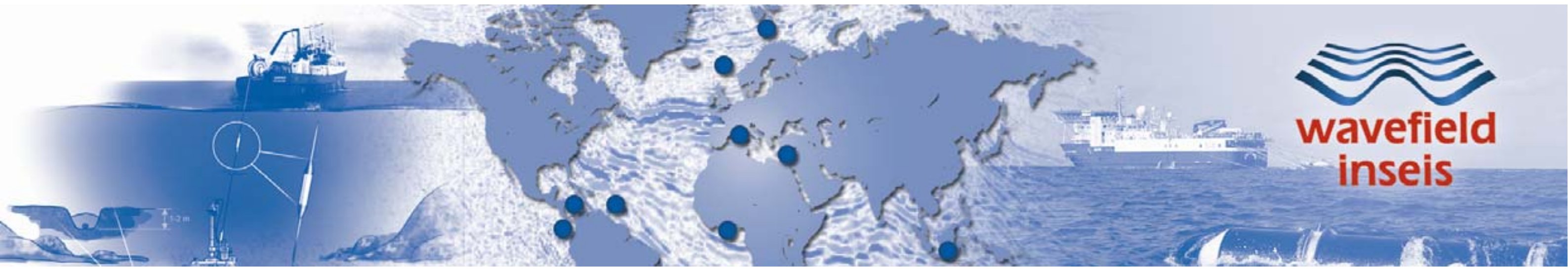
Wavefield Inseis AS Group
Consolidated Income Statements
Unaudited

In US$ 000'	Quarter ended Dec 31, 2006	Quarter ended Dec 31, 2005	Year ended Dec 31, 2006	Year ended Dec 31, 2005
Operating revenues	26 349	2 247	30 175	4 453
Net Operating Revenues	**26 349**	**2 247**	**30 175**	**4 453**
Operating expenses				
Cost of sales	(10 211)	(102)	(10 940)	(179)
Amortization of Multi-Client Data Library	(925)	(570)	(1 957)	(1 197)
Selling, general and adminsitration	(1 735)	(242)	(2 964)	(709)
Depreciation	(2 740)	(3)	(3 421)	(3)
Other operating expenses	(224)	-	(441)	
Total operating expenses	**(15 835)**	**(916)**	**(19 723)**	**(2 087)**
Operating profit	**10 514**	**1 330**	**10 452**	**2 366**
Financial income and expenses				
Financial Income	808	25	960	31
Financial Expense	(589)	(1)	(1 767)	(1)
Exchange gains/losses	1 227	(48)	1 760	(48)
Share of loss from associates	(203)	-	(203)	-
Net financial items	**1 243**	**(24)**	**751**	**(19)**
Profit before taxes	**11 757**	**1 306**	**11 203**	**2 347**
Tax expense	(1 570)	(590)	(1 570)	(624)
Net Income	**10 187**	**716**	**9 633**	**1 723**
Earnings per share (US$)	0,10	0,02	0,13	0,11
Earnings per share diluted (US$)	0,10	0,02	0,11	0,11
Average share outstanding	106 988 283	29 375 082	75 576 491	15 713 801
Average share outstanding diluted	107 132 948	29 375 082	83 932 664	15 713 801



Wavefield Inseis AS Group
Consolidated Balance Sheet (*Unaudited)*

In US$ 000'	Year ended 2006	Year ended 2005
Assets		
Non-Current Assets		
Intangible Non-Current Assets		
Intangible assets	1 000	
Multi-Client Library	9 652	3 558
Total Intangible Non-Current Assets	10 652	3 558
Tangible Non-Current Assets		
Financial Lease asset	5 874	
Seismic Equipment	54 633	
Total Tangible Non-Current Assets	60 507	-
Financial Non-Current Assets		
Investment in associated companies	10 359	
Pension asset	5	
Total Financial Non-Current Assets	10 365	-
Total Non-Current Assets	81 524	3 558
Current Assets		
Receivables		
Non-Current Receivables and Prepayments	11 153	555
Accounts Receivable	18 063	3 222
Other Receivables	1 700	37
Total Receivables	30 916	3 814
Cash and Cash Equivalents	85 537	16 326
Total Current Assets	116 452	20 140
Total Assets	**197 976**	**23 697**
Equity		
Paid-in Capital		
Share Capital	730	197
Share Premium Reserve	138 958	14 707
Total Paid-in Capital	139 688	14 904
Retained Earnings		
Other Equity	11 792	2 159
Total Retained Earnings	11 792	2 159
Total Equity	**151 480**	**17 063**
Liabilities		
Other Non-Current Liabilities		
Deferred Tax Liability	1 570	
Capitalized Lease Liabilities	20 745	
Total Non-Current Liabilities	22 315	-
Current Liabilities		
Bank Overdraft and Short-Term Debt	10 596	
Accounts Payable	7 768	4 061
Partnershare payable	2 392	1 613
Taxes Payable	-	594
Other Short-Term Liabilities	3 425	366
Total Current Liabilities	24 181	6 634
Total Liabilities	**46 496**	**6 634**
Total Equity and Liabilities	**197 976**	**23 697**

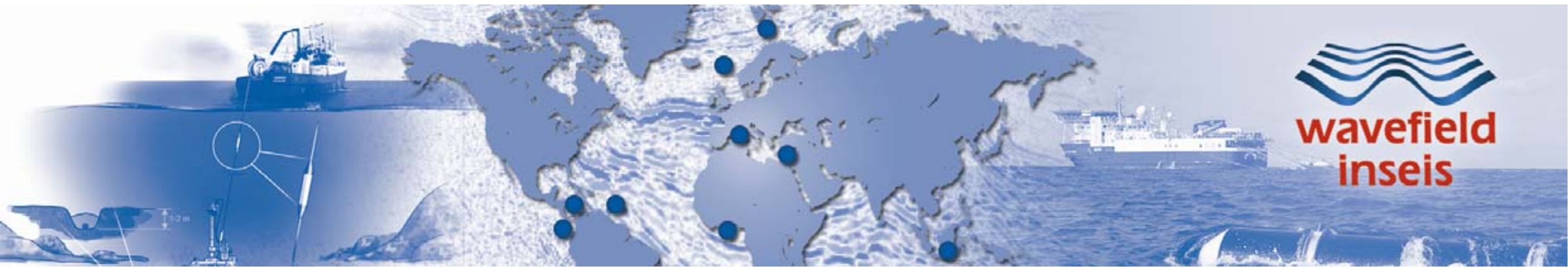


Wavefield Inseis AS Group
Changes in Equity
Unaudited

US$ 000'	Share capital	Paid in capital	Retained earnings Group	Equity in Group
Opening balance 01.01.06	197	14 707	2 159	17 063
Issue of new shares	390	107 638	-	108 028
Conversion of debt and exercise of warrants during Q2 2006	142	15 994	-	16 136
Share based compensation		620		620
Net income of the year			9 633	9 633
				-
End balance 31.12.06	730	138 958	11 792	151 480

Wavefield Inseis AS Group
Consolidated Cash Flow Statements
Unaudited

In US$ 000'	Quarter ended Dec 31, 2006	Quarter ended Dec 31, 2005	Year ended Dec 31, 2006	Year ended Dec 31, 2005
Cash flow from operating activities				
Profit before tax	11 757	1 306	11 203	2 347
Depreciation and impairment of p,p & e, net of investment in multiclient library	2 740	3	3 421	3
Amortization of multiclient library	925	570	1 957	1 197
Share Based payments expense	620	-	620	0
Interest income	(808)	(25)	(960)	(31)
Interest expense	589		1 918	
Share of net loss of associate	203		203	
Changes in current assets / liabilities	(10 531)	(142)	(20 157)	2 080
Net cash flows from operating activities	5 495	1 711	(1 794)	5 596
Investing activities				
Purchase of p,p&e	(8 160)		(20 288)	
Investment in multiclient library net of depreciation	(757)	(2 633)	(6 883)	(4 054)
Acquisiton of minority interest	(10 359)		(10 359)	
Purchase of intangible assets	(1 000)		(1 000)	
Interest received	808	25	900	31
Net cash flow used in investing activities	(19 468)	(2 608)	(37 630)	(4 024)
Financing activities				
Proceeds from new equity raised	79 980	14 772	128 212	14 772
Transaction costs in issue of shares	(3 878)		(4 190)	
Payment of finance lease liabilities	(1 942)		(13 468)	
Interest paid	(589)		(1 918)	-
Net cash flows used in financing activities	73 570	14 772	108 636	14 772
Net increase in cash and cash equivalents	59 598	13 875	69 212	16 344
Net foreign exchange difference				(170)
Cash and cash equivalents at beggining of period	25 939	2 450	16 325	151
Cash and cash equivalents at 31 December	**85 537**	**16 325**	**85 537**	**16 325**



Note 1: Summary of significant accounting policies for the group

General

Wavefield Inseis AS (the Company) is a Norwegian marine geophysical company that provides proprietary data acquisition services and offers a portfolio of non-exclusive Multi-Client data to the global exploration community developed in partnership with oil companies and governments. From the main office in Bergen, and the other locations in Oslo, London, Houston and Perth, Wavefield Inseis has a global reach, with activities in the Americas, Europe, Africa, the Middle East and Asia.

Basis for preparation

The consolidated financial statements of Wavefield Inseis Group (the Group) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. Transition date is January 1, 2005.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group accounting policies. The final amounts may differ from these estimates.

The consolidated financial statement has been prepared on a historical cost basis.

The Group has followed IFRS 1 and the standards in force at 31 December 2006 for the transition to IFRS. Figures for 2005 have been restated in accordance with IFRS, see "Transition to International Financial Reporting Standards" at the end of the principles.

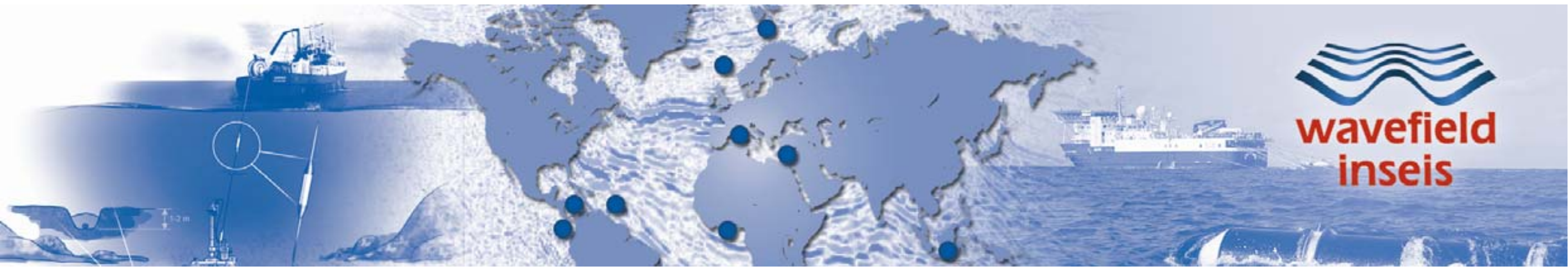
Basis of consolidation

The Group's consolidated financial statements comprise Wavefield Inseis AS and companies in which Wavefield Inseis AS has a controlling interest. A controlling interest is normally attained when the Group owns, either directly or indirectly, more than 50% of the shares in the company and is capable of exercising control over the company. The group also considers potential voting rights, such as call options, that are currently exercisable or convertible when evaluating whether the Group controls another entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The consolidated financial statements are prepared on the assumption of uniform accounting policies for identical transactions and other events under equal circumstances.



Business Combinations
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.
Business combinations that are common control transactions are presented in accordance with the pooling of interest method.

Investments in associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

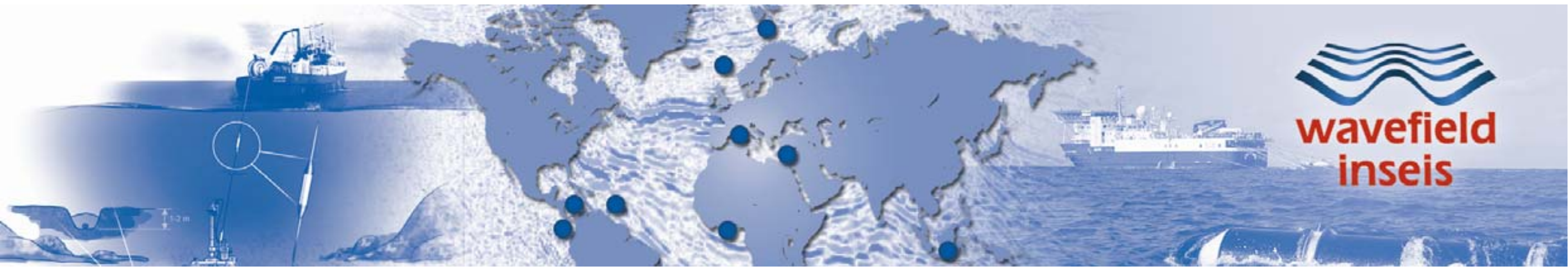
The results and assets and liabilities of associates are incorporated in the Consolidated Financial Statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the investment. Losses of an associate in excess of the Group's interest in that associate are not recognized. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment. Goodwill is assessed for impairment as part of the carrying amount of the investment in associates.

Foreign currency
The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates, that is, its functional currency. The financial statements of foreign entities are translated to the reporting currency using the year-end exchange rate for assets and liabilities while using the average exchange rate for each month for income and expense items. Exchange differences arising on translation to the reporting currency are recognized directly in equity.

The Group's presentation currency is USD. This is also the Company's functional currency.

Currency transactions



Currency transactions are translated at the rate applicable on the transaction date. Foreign exchange gains/losses that arise as a result of changes in the exchange rate between the transaction date and the payment date are recognised in the income statement, with the exception of exchange differences that arise from hedging the Group's net investment in a foreign entity (see below).

Segments

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Property, Plant and Equipment

Property, plant and equipment acquired by the Group are stated at historical cost less accumulated depreciation and write-downs. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

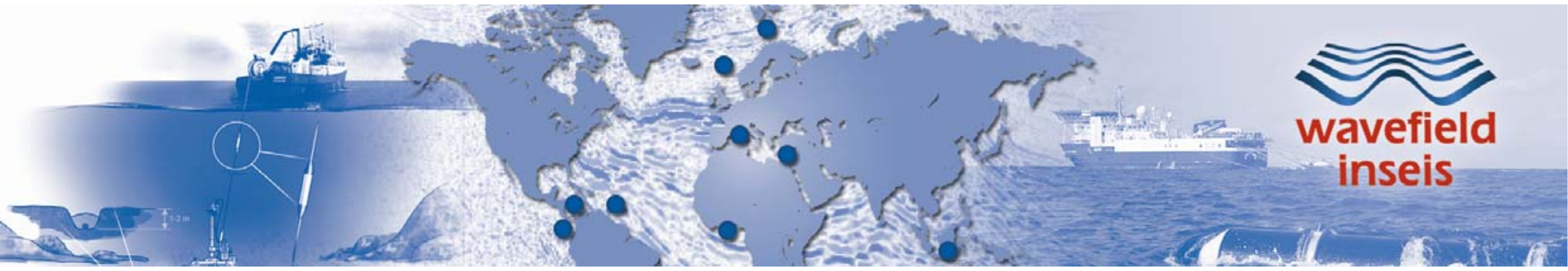
The carrying values of items of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or losses on derecognition of the asset calculated as the difference between the net disposal and the carrying amount of the asset is included in the income statement in the year the asset is derecognised.

Depreciation on items of property, plant and equipment are depreciated using the straight-line method to allocate their cost to their residual values, if significant over their estimated useful lives as follows:

Asset group	***Useful life***
Office equipment including hardware	3 years
Fixed Seismic equipment onboard vessel	Over time charter agreement period (5 – 7 years)
Seismic equipment, leased and owned	5 years

The residual values and estimated useful lives of items of property, plant and equipment are reviewed, and adjusted annually as appropriate, at the year-end balance sheet date.



An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount (see "Impairment of non-financial assets").

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized net in the income statement.

Equipment for vessels under construction / rigging are classified as non-current assets and recognised at the cost, it is not depreciated until the non-current asset is taken into use.

Rigging cost
Expenses directly related to the rigging of new seismic vessels are recognised in the balance sheet as non-current assets, as a part of seismic equipment. Internal cost associated with the rigging is recognised in the balance sheet if it is directly related to the rigging.
The capitalized cost are direct cost associated with rigging the seismic vessel, including time charter during rigging period, personnel charges, consultants etc. The rigging cost is depreciated over the life of the time charter agreement. The intangible will be impaired if the time charter agreement with which it is connected is cancelled. The amortization period is not extended if the time charter is extended, in accordance with the Group's principles for depreciation of non-current assets.

Intangible assets

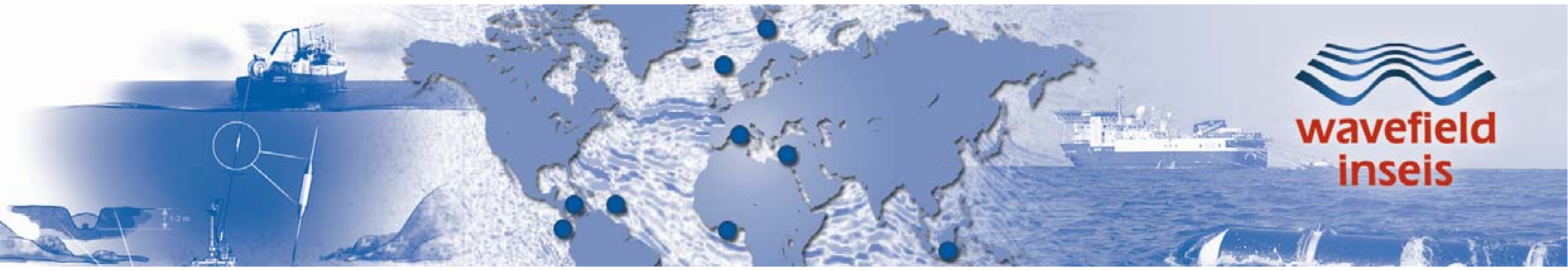
Intangible assets acquired separately, except for Multi-Client library
Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated write-downs. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development

Expenditure on research activities is recognized as an expense in the period in which is incurred.

An internally generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- it intention to complete and its ability to use or sell the asset
- how the asset will generate future economic benefits
- The availability of resources to complete and the ability to measure reliably the expenditure during the development.



The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. When no internally-generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and impairment, on the same basis as intangible assets acquired separately.

The internally-generated intangible assets primarily relates to Multi-Client Data Library.

Multi-Client Data Library
Multi-Client seismology library includes both completed seismic data and projects in work which is licensed on a non-exclusive basis to oil and gas search/production companies. Production cost directly related to obtain the seismic data and processing are capitalized. The seismology library contains also the cost price for the seismic data acquired from external parties.

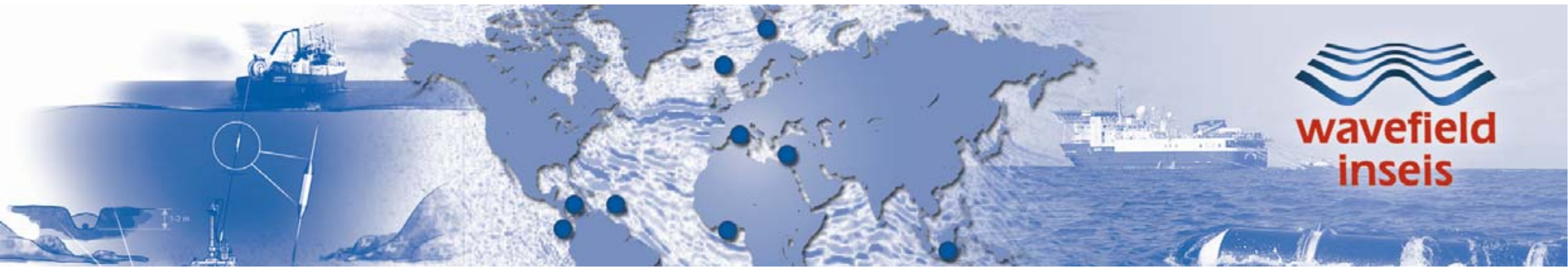
Amortization is compared with the income for the different projects in proportion to the expected income per project. There have been established a minimum amortization that states that the capitalized value for a project a year after completion shall not exceed 60% of the cost price that is minimum 40% amortization after 12 months. Furthermore, all projects shall be entirely amortized within 5 years (20% per year) from completion. In these circumstances some related projects can be seen as a unit and the minimum rules for amortization will then first be relevant 12 months after completion.

Impairment of non-financial assets excluding goodwill

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment if events or change in circumstances indicates that the impairment could be reversed.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair value are recorded in the income statement in the period arising.



Trade receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The interest element is disregarded if it is insignificant. A provision for impairment of trade receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and other short-term highly liquid investments with original maturities of three months or less.

Equity

Share issuance costs that are incremental and directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The interest element is ignored if immaterial.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation. Provisions are measured based on most probable outcome of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Income taxes

Income tax expense represents the sum of the taxes currently payable and deferred tax. Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred income tax is not recognized on temporary differences arising from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Furthermore, deferred income taxes are not provided for investments in subsidiaries where the timing of the reversal is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Employee benefits

Defined benefit plan
The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the equity.

Defined contribution plan
Contributions to defined contribution benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The Group pays fixed contributions into a separate legal entity. 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 periods.

Share options

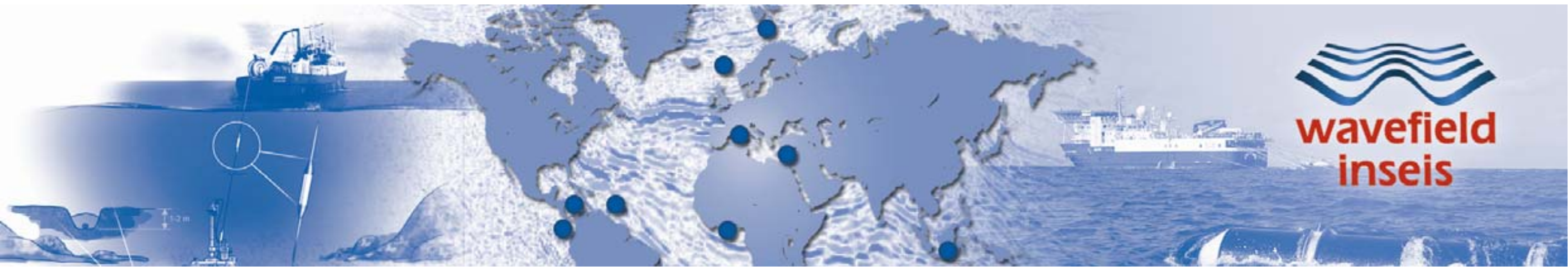
The Group issues equity settled share-based compensation to its employees. The fair value of employee share option plans is calculated using the Black Scholes model. In accordance with IFRS 2 "Share-Based Payment," the resulting cost is recognized in the income statement over the vesting period of the options based on the number of options that are expected to vest. Non-market vesting conditions are included in the assumption of the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest.

The fair value of the option plan is charged to other paid in equity. The option plan also has effect on diluted earnings per share.

Leases

Finance leases
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property, or if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.



Operating leases
Leases, where the risks and benefits incidental to ownership remain with the lessor, are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on over the lease term.

Borrowing cost

Borrowing costs are generally recognised in the income statement when they arise. Borrowing costs for one of the leases are capitalised as they are directly related to the purchase of seismic equipment. Borrowing costs are capitalised when the interest costs are incurred during the non-current asset's construction period. The borrowing costs are capitalised until the date when the non-current asset is ready for use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognised.

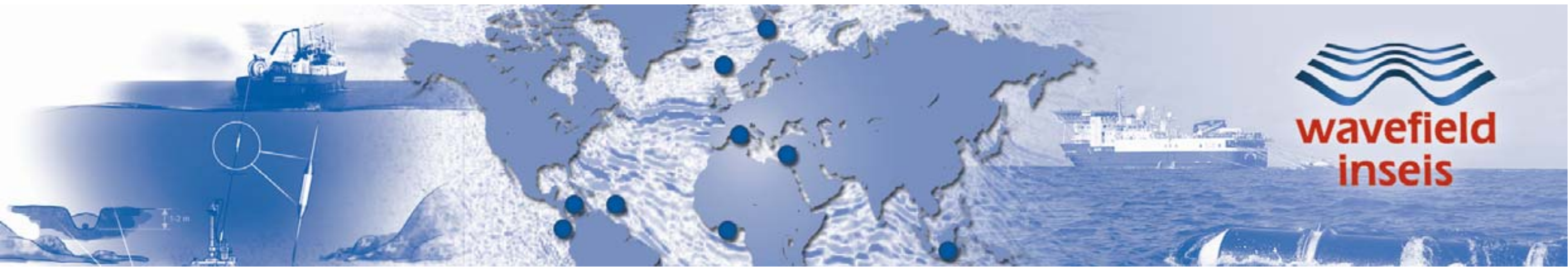
Revenues
Operating revenues are recognized when they can be measured reliably, and when it is likely that the economic benefits associated with the transaction will flow to the entity, which is at the point that such revenues have been realized or are considered realizable. For contracts where the percentage on completion method of accounting is being applied, revenues are only recognized when the costs incurred for the transaction and the cost to complete the transaction can be measured reliably and such revenues are considered earned and realizable.

Multi-Client surveys
Multi-Client surveys consist of surveys to be licensed to customers on a non-exclusive basis. All costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalized into the Multi-Client surveys. The carrying amount of out Multi-Client library on the balance sheet at costs less accumulated amortization and accumulated impairments.

Revenues related to Multi-Client surveys generally falls into two categories (1) Multi-Client surveys performed after securing commitments from some customers or (2) Multi-Client services performed before securing purchase commitments from customers.

Pre-commitments – Generally, we obtain commitments from customers before a seismic project is started or during the project period. These pre-commitments cover specific areas or license blocks. In return for the commitment, the customer obtains early access to the data, favorable pricing compared to late sales and a degree of influence over the project. Advance payments from customers are deferred and recognized over the project period from the time the project commences based on the ratio of project cost incurred during that period to total estimated project cost.

Late sales – Generally, we grant a license entitling non-exclusive access to a complete and read for use, specifically defined portion of our Multi-Client data library in exchange for a fixed and determinable payment. We recognize after sales revenue upon the client executing a valid license agreement and having been granted access to the data.



Exclusive contracts
The Group performs seismic services for specific customers under exclusive contracts. Sales of services under contracts are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

The revenue and the related steaming and mobilization costs when moving the seismic vessels to the location specified by the contract are deferred until the contracted services commence and are recognized over the duration of the contract by reference to the stage of completion.

Events after the balance sheet date

New information on the Group's positions that existed at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date but which will affect the Group's position in the future are disclosed if significant.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.
The Groups has no overdraft facility.

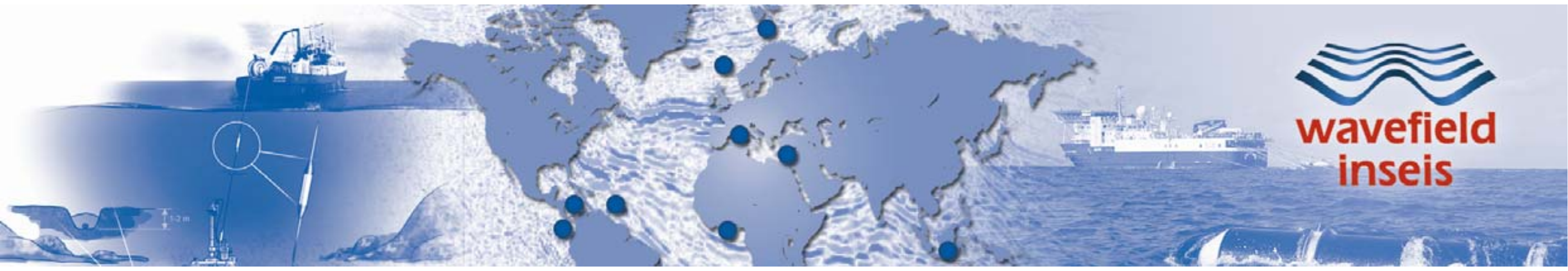
Critical accounting judgement and estimates

The annual financial statements have been prepared in accordance with IFRS. This means that the management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty.

Amortization of Multi-Client library:

The Group amortizes the Multi-Client library to the income statement based on the percentage of actual sale of the total sales expected from a Multi-Client library, with an underlying minimum amortization. This requires management to estimate the total sales on the various Multi-Client projects of the Group.

Revenue recognition:
The Group recognizes revenues from pre-commitment Multi-Client surveys and exclusive contract survey based on the percentage of completion method. This requires management to estimate the stage of completion of the various projects of the group.



Pensions – defined benefit plan:
The net pension obligation is calculated with actuarial models based on several actuarial assumptions such as discount rate, future salary levels, changes in pension levels, return on plan assets, and disability- and mortality rates.
For accounting purposes it is assumed that the pension benefits are accrued linearly. Unrealized gains and losses resulting from changes in actuarial assumptions are recognized through equity. The pension obligation is calculated by an independent actuarial at year end. In calculating the pension cost and liability the assumptions are made in accordance with recommendations in the last notice for comments made by NRS (Norwegian Accounting Standards), IFRS IAS 19 – Employee benefits and the Norwegian Actuarial Associations standards.

Share options:
The employees and management of the Group have been given options to buy shares in the parent company. The fair value of the options is estimated at the grant date and recognised as an expense over the vesting period. To compute fair value the management has to estimate several assumptions.

Financial lease asset:
Under the criteria's of IAS 17 the seismic vessel MV Bergen Surveyor is classified as a financial asset on our balance sheet. The company does not intend to formally acquire this vessel. Impairment is assessed as described under "Property, Plant and Equipment". The split between operational leases and financial leases is a critical accounting judgment.

Capitalization of expenses
The split between direct and indirect expenses related to the Multi-Client library and rigging costs are critical judgments.

Transition to International Financial Reporting Standards (IFRS)

As of January 1, 2005 the consolidated statement of Wavefield Inseis AS comply with International Financial Reporting Standards (IFRS) endorsed by the European Union and Norway.

Impact of conversion on consolidated group financial statements

Wavefield Inseis AS have previous years reported under Norwegian General Accepted Accounting Practices (NGAAP). As of January 1, 2005 there are no quantifiable differences between NGAAP and IFRS in Wavefield Inseis AS financial statements. The major change is the presentation currency, see presentation below. The company presents its financial statements in USD while previously presented in NOK.
The company has not previously presented consolidated financial statements, but will present the parent Company alone as comparable consolidated numbers for 2005.

The exchange rate used for the balance sheet reflects that the activity in the Multi-Client Library and paid in equity took place in the 4 quarter of 2005. The average exchange rate per month is used for the profit and loss statement.
The accounting principles described in note 1 have been used to prepare the company's consolidated accounts for 2006, comparable figures for 2005 and an IFRS opening balance sheet as at 1 January 2005, which is the Group's date of transition from Norwegian accounting principles (NGAAP) to IFRS.

IFRSs and IFRIC Interpretations not yet effective

IAS 1 (Amendment), Presentation of Financial Statements – Capital Disclosures. The amendment requires additional disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. The Group will apply the amendment to IAS 1, from annual periods beginning 1 January 2007.

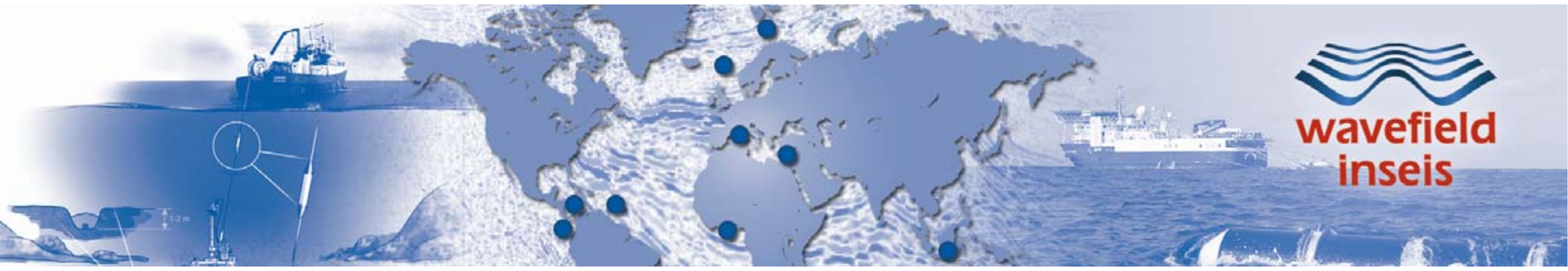
IFRS 7 - Financial Instrument: Disclosures. IFRS 7 introduces new disclosures to improve the information about financial instruments. The Group will apply IFRS 7 from annual periods beginning 1 January 2007.

IFRS 8 – Operating Segments. IFRS 8 replaces IAS 14 Segment Reporting. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performances. IFRS 8 also requires additional disclosures, including information about how the entity identifies its operating segments and the types of products and services from which each segment derives its revenues. The Group will apply IFRS 8 from annual periods beginning 1 January 2009.

IFRIC 8 – Scope of IAS 2. IFRIC 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Group will apply IFRIC 8 from annual periods beginning 1 January 2007.

IFRIC 9 – Reassessment of Embedded Derivatives. IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply IFRIC 9 from annual periods beginning 1 January 2007.

IFRIC 10 – Interim Financial Reporting and Impairment. IFRIC 10 prohibits the impairment losses recognized in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply IFRIC from annual periods beginning 1 January 2007.



IFRIC 11 – Group and Treasury Share Transactions. IFRIC addresses how to apply IFRS 2 – Share-based Payment to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group. The Interpretation requires a share-based arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. The Group will apply IFRIC 11 from annual periods beginning 1 January 2008.

IFRIC 12 – Service Concession Arrangements. IFRIC 12 addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements. The Group will apply IFRIC from annual periods beginning 1 January 2008.

The Group expects that adoption of the pronouncements listed above will not impact on the Group's financial statements in the period of initial application.