



IG Seismic Services PLC

**IG SEISMIC SERVICES ANNOUNCES INTERIM  
UNAUDITED FINANCIAL AND OPERATIONAL RESULTS  
FOR THE NINE MONTHS OF 2013**

Moscow, 13 December 2013

**IG Seismic Services PLC (“IGSS” or the “Company”, LSE: IGSS), the leading pure-play land and transition zone seismic company in Russia and the CIS and one of the largest land seismic companies globally, announces its interim unaudited financial and operational results for the nine months ended 30 September 2013.**

**Key Financial Results for the 9 Months of 2013**

	<b>9m 2013</b>	<b>9m 2012</b>	<b>Change</b>
<i>in million US\$, unless otherwise stated</i>			
Revenue	440.4	464.9	-5.3%
EBITDA	89.6	68.5	30.8%
EBITDA margin	20.3%	14.7%	560 bp
Operating Cash Flow	150.9	103.7	45.5%
Capital Expenditures	64.3	29.9	115.1%
Net Debt	331.1	329.3	0.5%
Average exchange rate for the period (RUB/USD)	31.6170	31.0984	1.7%
Exchange rate at the end of the period (RUB/USD)	32.3451	30.9169	4.6%

- Revenue decreased by 5.3% year-on-year and amounted to USD 440.4 mln. The Company focuses on the premium segment of high density seismic which leads to a significant increase in absolute and relative marginal profitability with a slight decrease in revenue;
- EBITDA increased by 30.8% year-on-year and amounted to USD 89.6 mln. EBITDA margin increased by 560 bp year-on-year to 20.3% of sales compared to 14.7% of sales for the same period of 2012;
- Operating Cash Flow for the 9 months of 2013 increased by 45.5% over the same period of 2012 to USD 150.9 mln.;
- Capital Expenditures for the 9 months of 2013 amounted to USD 64.3 mln.;
- As of 30 September 2013, net debt amounted to USD 331.1 mln. Gross debt amounted to USD 351.3 mln, cash and cash equivalents amounted to USD 20.2 mln.;

## Key Operating Results for the 9 Months of 2013

- IGSS seismic crews performed 1,408 thousand shot points, out of which 197 thousand related to 2D surveys, 830 thousand to 3D surveys, and 382 thousand to HD (high density) surveys; of which 1,293 thousand shot points were performed in Russia, 97 thousand - in Kazakhstan, and 18 thousand - in Azerbaijan and Uzbekistan.
- Total of 8 thousand linear kilometers related to 2D surveys, 13 thousand square kilometers related to 3D survey, 1 thousand linear kilometers related to HD and 947 square kilometers related to HD were performed.
- As of 30 September 2013 the Company operated 75 field crews in Russia, Kazakhstan and certain other countries with 308,990 channels, 143 vibroseis sources, 160 pulse sources and 582 drilling units.
- As of 30 September 2013 the Company employed 11,280 employees.

Kilometers	9m 2013	9m 2012	Change, %
2D (km)	7,866	9,926	-19%
3D (sq.km)	12,508	18,290	-32%
HD (km)	1,001	--	--
HD (sq.km)	947	--	--
<b>Shot Points performed by IGSS crews</b>			
2D	196,661	219,919	-11%
3D	829,700	1,059,506	-22%
HD	381,807	--	--
<b>TOTAL performed by IGSS crews</b>	<b>1,408,168</b>	<b>1,279,425</b>	<b>10%</b>
<i>including</i>			
Russia	1,292,877	1,156,908	12%
Kazakhstan	97,528	112,626	-13%
Other	17,763	9,891	80%
<b>TOTAL subcontracted</b>	<b>20,351</b>	<b>88,576</b>	<b>-77%</b>

## Order Book as of 30 September 2013

- As of 30 September 2013, the Company's seismic services order book amounted to USD 782 million (inclusive of VAT), of which USD 580 million (inclusive of VAT) accounted for signed contracts and USD 202 million (inclusive of VAT) represented tenders won.
- The seismic services order book as of 30 September 2013 increased in RUR terms by 37% compared to the order book as of 30 September 2012.
- The Company started releasing data processing & interpretation (DPI) order book from 2013. Accordingly, comparable DPI order book information for earlier periods is not available. As of 30 September 2013, the Company's DPI order book amounted to USD 10 million (inclusive of VAT) accounted for signed contracts.
- The Group is still in the process of contracting for 2013-2014 season which implies that current order book does not yet provide an accurate indication of revenues and current order book trends could change.

## SEISMIC SERVICES

### Order Book as of 30 September 2013 (including VAT)\*

	As of 30.09.2013		As of 30.09.2012		Ch.
	RUR mln	USD mln	RUR mln	USD mln	RUR, %
Western Siberia	7,027	217	5,464	177	29%
Eastern Siberia	11,412	353	7,186	232	59%
Timano-Pechora	4,068	126	2,791	90	46%
South of Russia	874	27	3,050	99	-71%
Kazakhstan ***	193	6	--	--	--
Other (India, Azerbaijan, Uzbekistan) ***	1,732	53	--	--	--
<b>TOTAL, including</b>	<b>25,306</b>	<b>782</b>	<b>18,491</b>	<b>598</b>	<b>37%</b>
Contracts signed**	18,767	580	14,142	457	33%
Tenders won, contracts to be signed	6,539	202	4,349	141	50%

### Order Book as of 30 September 2013 Breakdown by Year (including VAT)\*

	As of 30.09.2013	
	RUR mln	USD mln
2013	4,572	141
2014	13,243	409
2015	7,491	232
<b>TOTAL</b>	<b>25,306</b>	<b>782</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 30 September 2013 (including VAT)\*

	RUR mln	USD mln
Contracts signed**	320	10
Tenders won, contracts to be signed	--	--
<b>TOTAL</b>	<b>320</b>	<b>10</b>

\*FX rate as of 30 September 2013 is 32.3451 RUR/USD and 30.9169 RUR/USD as of 30 September 2012.

\*\*Signed contracts may be subject to renegotiation of volumes and/or other terms or even cancellation, and both signed contracts and tenders won may not proceed as originally planned at all.

\*\*\* Comparable order book data for Kazakhstan, International projects and DPI for 2012 is not available.

## Order Book Update as of 1 December 2013

- As of 1 December 2013, the Company's seismic services order book amounted to USD 872 million (inclusive of VAT), of which USD 675 million (inclusive of VAT) accounted for signed contracts and USD 197 million (inclusive of VAT) represented tenders won.
- The seismic services order book as of 1 December 2013 increased in RUR terms by 14% compared to the order book as of 1 December 2012.
- As of 1 December 2013, the Company's DPI order book amounted to USD 13 million (inclusive of VAT), of which USD 10 million (inclusive of VAT) accounted for signed contracts and USD 3 million (inclusive of VAT) represented tenders won.
- The Group is still in the process of contracting for 2013-2014 season which implies that current order book does not yet provide an accurate indication of revenues and current order book trends could change.

## SEISMIC SERVICES

### Order Book as of 1 December 2013 (including VAT)\*

	As of 01.12.2013		As of 01.12.2012		Ch.
	RUR mln	USD mln	RUR mln	USD mln	RUR, %
<b>Western Siberia</b>	9,257	279	7,057	229	31%
<b>Eastern Siberia</b>	12,123	365	10,072	327	20%
<b>Timano-Pechora</b>	5,454	164	5,473	178	-0.3%
<b>South of Russia</b>	416	13	2,759	89	-85%
<b>Kazakhstan ***</b>	145	4	--	--	--
<b>Other (India, Azerbaijan, Uzbekistan) ***</b>	1,559	47	--	--	--
<b>TOTAL, including</b>	<b>28,954</b>	<b>872</b>	<b>25,361</b>	<b>823</b>	<b>14%</b>
Contracts signed**	22,414	675	15,747	511	42%
Tenders won, contracts to be signed	6,540	197	9,614	312	-32%

### Order Book as of 1 December 2013 Breakdown by Year (including VAT) \*

	As of 01.12.2013	
	RUR mln	USD mln
<b>2013</b>	3,544	107
<b>2014</b>	16,941	510
<b>2015</b>	8,469	255
<b>TOTAL</b>	<b>28,954</b>	<b>872</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 1 December 2013 (including VAT)\*

	RUR mln	USD mln
Contracts signed**	334	10
Tenders won, contracts to be signed	102	3
<b>TOTAL</b>	<b>436</b>	<b>13</b>

\*FX rate as of 01 December 2013 is 33.1916 RUR/USD and 30.8110 RUR/USD as of 01 December 2012.

\*\*Signed contracts may be subject to renegotiation of volumes and/or other terms or even cancellation, and both signed contracts and tenders won may not proceed as originally planned at all.

\*\*\* Comparable order book data for Kazakhstan, International projects and DPI for 2012 is not available.

## **Nikolay Levitskiy, IGSS Chief Executive Officer, commented:**

“Currently, after completing the phase of intensive preparation works for the season 2013-2014, we have started field works. The season 2013-2014 promises to be very productive.

We also have started works under the two year contract in India. These works will be conducted year-round since they do not depend on seasonality factor.

We are satisfied with the first results of the project at the Vakunayskiy oil field where we used innovative UniQ technology of high density seismic data acquisition. We plan to further expand employment of this technology at the Russian seismic market. Schlumberger has renewed its effective agreement with IGSS for the exclusive right to use the UniQ technology within Russia and the CIS until 2019 year-end.

We are expecting that the Russian seismic market will grow at high rate, particularly the volume and complexity of its services specifically as Russia's oil companies use for complex oil fields more advanced technologies, such as high-density seismic services. We will continue to focus on the highly technological market segment.

Our orders book is steadily increasing – as of December 01, 2013, the IGSS seismic orders book has increased by 14% on the same period of the last year.

We adhere to conservative financial management policy, and working towards optimizing our debt load and increasing reliability of our securities.

Two of the most influential rating agencies in the world, Standard & Poor's (S&P) and Moody's, assigned credit ratings to IGSS (S&P 'B' Positive Outlook, and Moody's 'B2' Stable Outlook). GEOTECH Seismic Services, our largest geophysical company, placed its debut issue of 5-year bonds worth RUR 3 bln. The Central Bank of the Russian Federation included the bonds into the Lombard list.”

## **Contacts**

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