

SeaBird Exploration

Fourth Quarter Presentation
26 February 2014

CEO Dag Reynolds
CFO Nils Haugestad



Forward-looking statements

All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy and other plans and objectives for future results, constitute forward-looking statements and are prediction of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees and representatives assumes any obligation to update these statements. This presentation includes historical financial data. Your attention is directed to the notes to such data for a description of the accounting principles used to prepare historical data. This presentation must be viewed only in connection with the company's separately distributed Q4 2013 earnings release.

Financial highlights

Quarter four financial results

- Revenues of \$37.2 million (\$51.9 million Q3 2013)
- EBITDA of \$3.9 million (\$13.2 million Q3 2013)

Year end 2013

- Revenues of \$177.8 million (\$163.3 million 2012)
- EBITDA was \$31.9 million (\$38.6 million 2012)

Operational observations

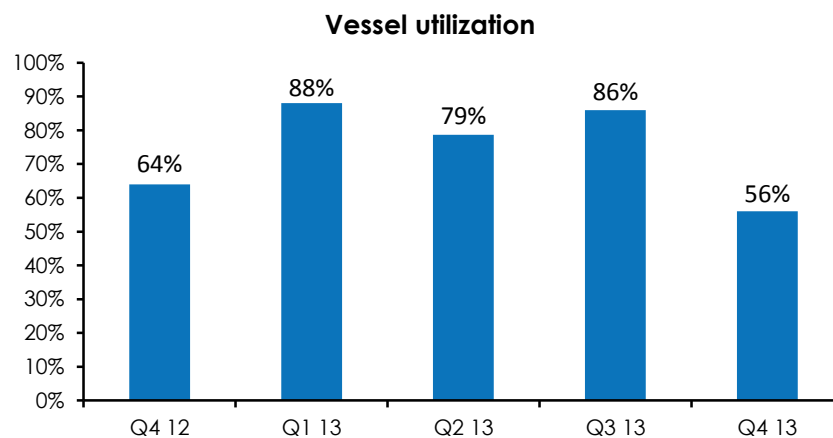
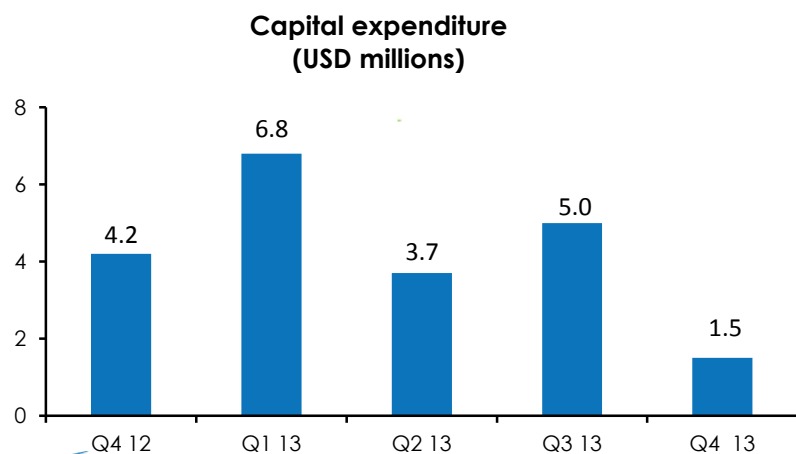
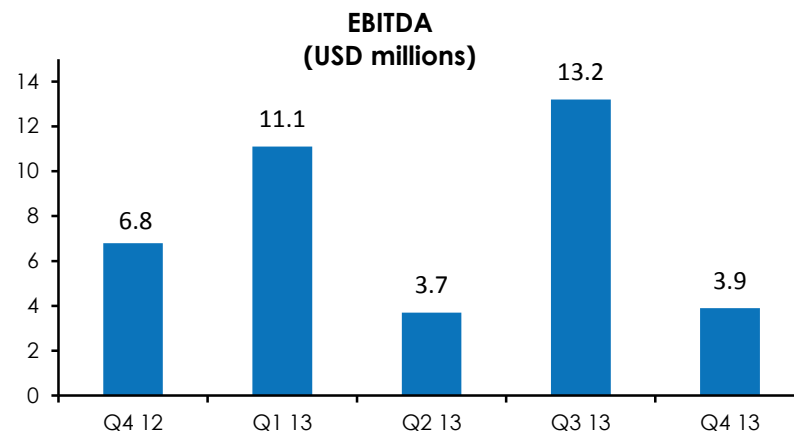
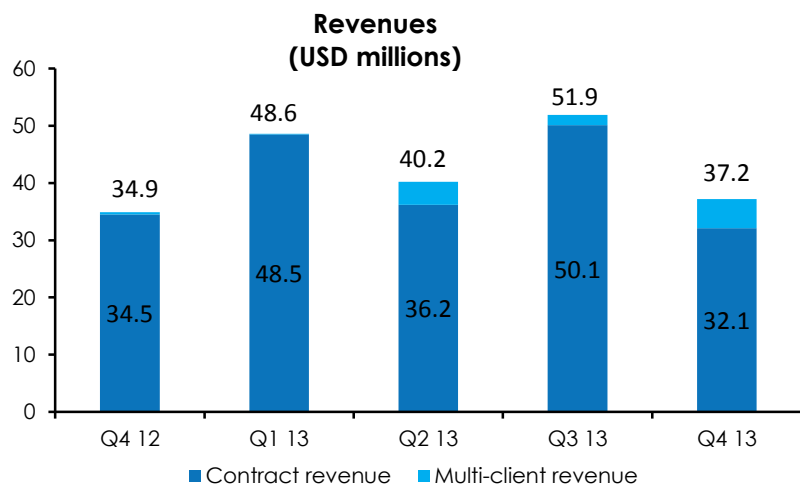
Quarterly observations

- Contract revenues down from previous quarter in light of reduced fleet utilization
- Fleet utilization for the period was 56% down from 86% in the third quarter
 - Global demand for seismic services substantially weaker than prior quarters
- A number of contributing factors impacted financial results
 - Reduced number of tenders; contract delays and postponements
 - 3D award for Voyager Explorer in APAC region was cancelled
 - Seasonal weaknesses
- High multi-client sales during the quarter
 - Approximately 70% of Q4 multi-client sales relate to late sales from pre 2013 surveys

Financial summary

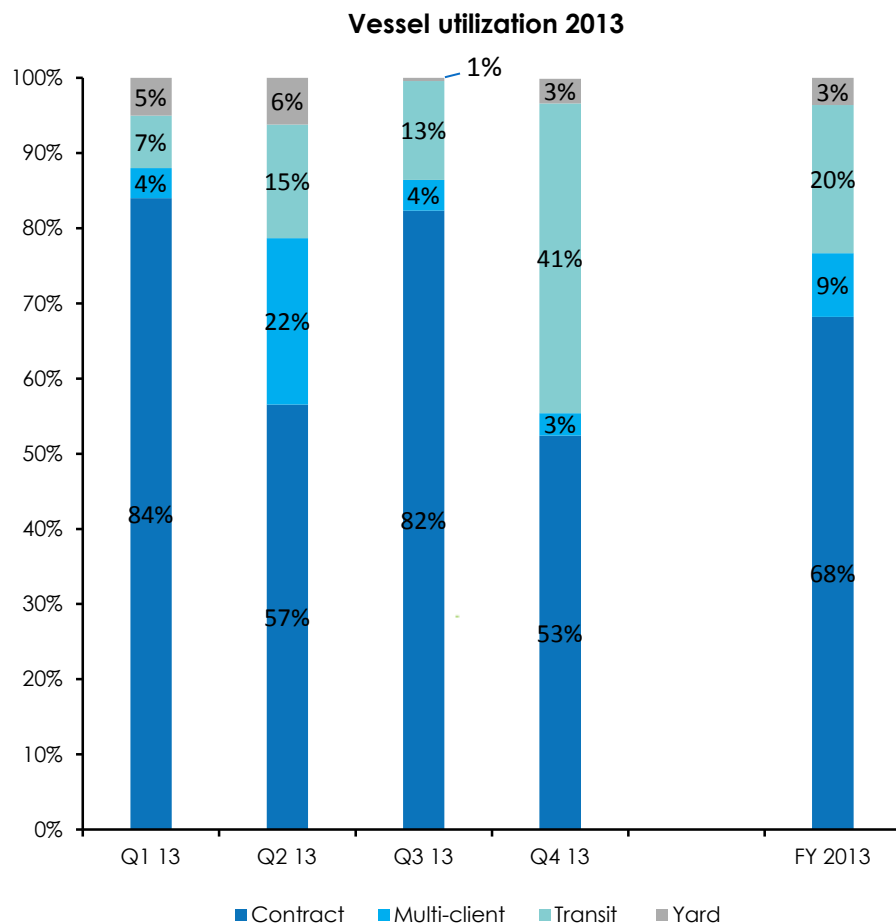


Historical operating comparison



Note 1: Utilization from Q2 13 includes the Geo Pacific

Vessel utilization



- Q4 contract utilization at 53%, down from 82% in Q3
- Multi-client investment in line with prior period
 - Q4 multi-client utilization of 3% compared to 4% for Q3
- Aquila Explorer completed its maintenance docking and upgrade in November/December
- 2013 utilization of 77% up slightly from 75% reported for 2012

Income statement

CONSOLIDATED INTERIM STATEMENT OF INCOME				
	Quarter ended 31 December		Year ended 31 December	
All figures in USD millions (except for EPS)	2013	2012	2013	2012
Contract	32.1	34.5	166.8	141.6
Multi-client	5.1	0.4	11.0	21.7
Total revenues	37.2	34.9	177.8	163.3
Cost of sales	(28.5)	(24.4)	(128.0)	(108.8)
SG&A	(5.1)	(4.1)	(19.4)	(16.8)
Other income (expenses), net	0.4	0.3	1.5	0.8
EBITDA	3.9	6.8	31.9	38.6
Depreciation	(7.5)	(4.8)	(22.3)	(18.6)
Amortization	(1.0)	(1.1)	(4.8)	(15.8)
EBIT	(4.6)	0.9	4.9	4.2
Interest and finance expense	(3.9)	(3.6)	(12.9)	(13.5)
Income tax	(0.2)	(2.7)	1.3	(8.9)
Profit/(loss)	(8.7)	(5.4)	(6.7)	(18.2)
Earnings per share from continued operations				
Basic	(0.18)	(0.17)	(0.15)	(0.56)
Diluted	(0.18)	(0.17)	(0.15)	(0.56)

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW				
All figures in USD millions	Quarter ended 31 December		Year ended 31 December	
	2013	2012	2013	2012
Profit/(loss) before income tax	(8.5)	(2.7)	(8.0)	(9.3)
Non cash items	10.7	10.1	36.7	45.7
Paid income tax	(1.8)	(0.4)	(3.3)	(1.1)
Working capital changes	(0.6)	(8.2)	0.6	(15.4)
Net cash from operating activities	(0.2)	(1.3)	25.9	19.9
Capital expenditures	(1.5)	(4.2)	(17.1)	(15.0)
Multi-client investments	(1.4)	-	(6.3)	(6.6)
Long-term investments	-	-	(0.1)	-
Net cash from investing activities	(3.0)	(4.2)	(23.5)	(21.6)
Proceeds from issuance of ordinary shares	6.5	14.0	8.4	14.0
Borrowings	(3.0)	(2.9)	(7.9)	(5.5)
Other financial items	(2.1)	(2.8)	(5.6)	(5.5)
Net cash from financing activities	1.3	8.3	(5.1)	3.1
Net (decrease)/increase in cash and cash equivalents	(1.8)	2.9	(2.6)	1.4

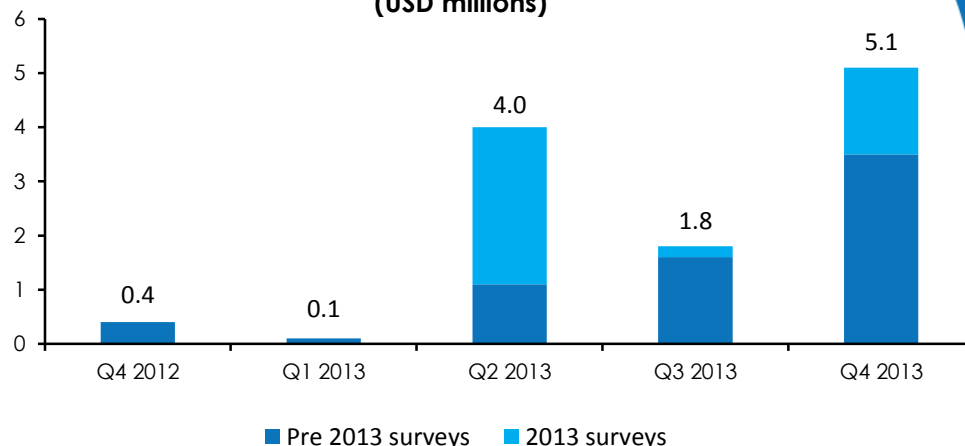
Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 31 December	
All figures in USD millions (except for equity ratio)	2013	2012
Property, plant and equipment	122.8	130.8
Multi-client library	7.1	3.4
Other non-current assets	1.3	1.3
Inventories	4.4	3.9
Trade receivables	24.7	33.1
Other current assets	16.4	10.2
Cash and cash equivalents	12.2	14.7
Total Assets	188.9	197.4
Equity	57.6	52.8
Non-current loans and borrowings	72.0	94.3
Other long-term liabilities	1.1	0.8
Trade and other payables	30.8	41.6
Current loans and borrowings	27.3	7.9
Total equity and liabilities	188.9	197.4
Net interest bearing debt	87.1	87.4
Equity ratio %	30.5%	26.8%

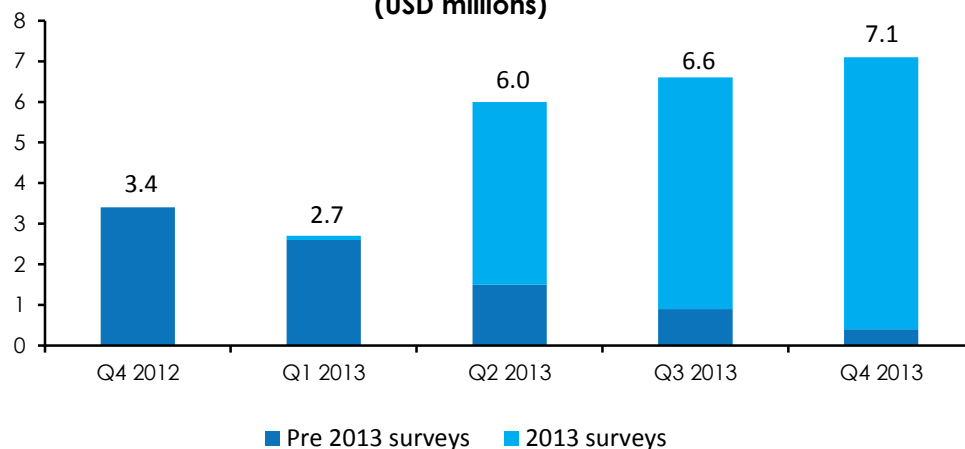
High multi-client sales during the quarter

- Multi-client sales in the quarter of \$5.1 million
 - \$3.5 million related to late sales from pre 2013 surveys
- Multi-client investment was \$1.4m million in the quarter
 - Completed Hebrides 2D survey in North Sea
 - Geo Pacific mobilized for 2,600km² 3D survey in West Africa

Multi-client revenues by quarter
(USD millions)



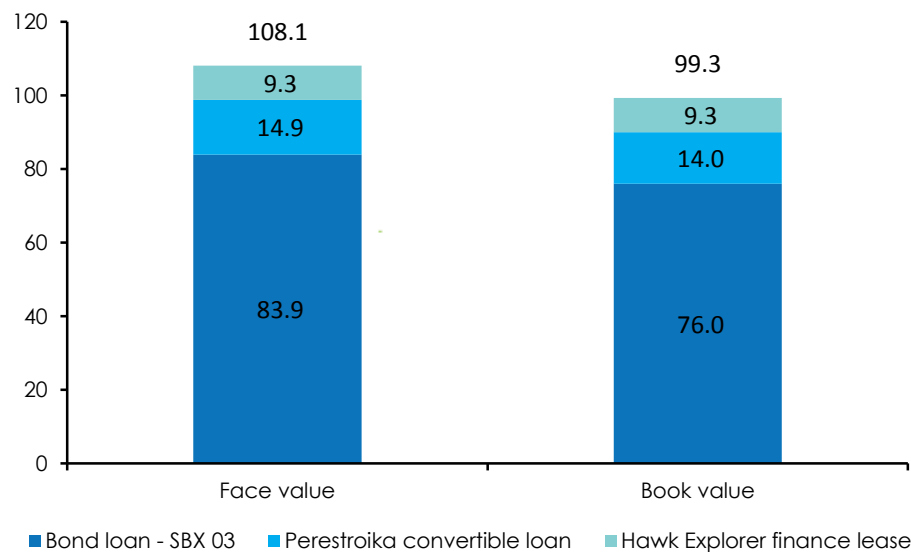
Multi-client book value by quarter
(USD millions)



Funded debt review

COVENANT RESTRICTIONS			
USD millions	AP + 60	Equity ratio	Cash
31 December 2013	\$0.6	30.5%	\$12.2
Restrictions			
31 December 2013	< \$2.5	25.0%	≥\$10.0

Funded debt profile
(USD millions)



Interactions with the capital market

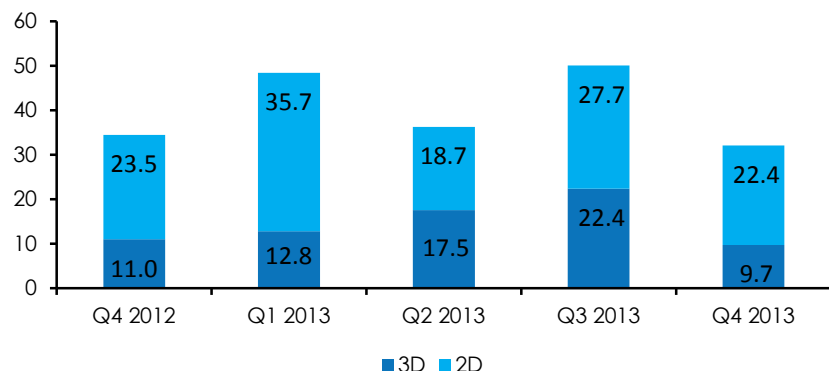
- Equity private placement completed during Q4 2013
 - 12.0 million new shares at a subscription price of NOK 3.00 per share
 - Total gross proceeds NOK 36.0 million (\$5.9 million)
- The company was in compliance with all covenants as of 31 December 2013
- Debt and commitments due in 2014
 - Hawk Explorer \$6.5 million purchase option in August 2014
 - Perestroika convertible bond with a nominal value of \$14.9 million matures in September 2014
 - Scheduled bond repayments in 2014 are \$4.0 million
- Pursuing several financing alternatives

Operational review

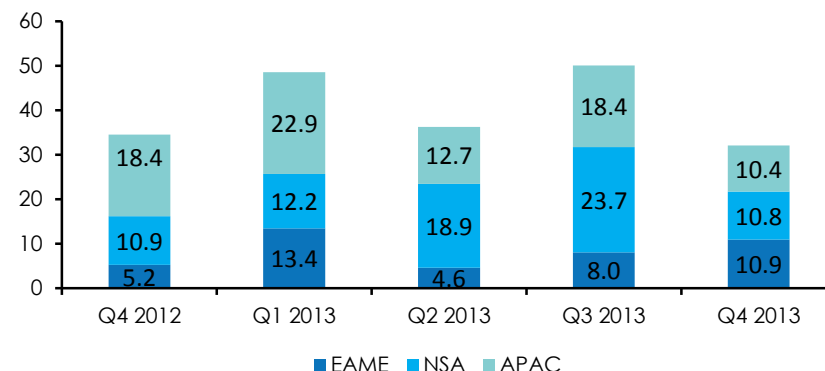


Segment operating activity

2D/3D contract revenues
(USD millions)



Contract revenues by region
(USD millions)



- 3D contract revenues reduced
 - Geo Pacific mobilized for a multi-client survey in West Africa
 - Cancelled Voyager Explorer award negatively affected revenues
- Increased contract revenues in EAME as Harrier Explorer and Northern Explorer both operated in the region
- NSA and APAC revenues down compared to previous quarter
 - Geo Pacific completed its contract in October; Osprey contract delay
 - APAC region impacted by permit delays

Contracts update

2D vessels

- Aquila Explorer working for oil major in New Zealand
- Harrier Explorer active in the North Sea; well positioned for 2014 summer season
- Hawk Explorer and Northern Explorer conducting a survey in East Africa that will keep the vessels active until mid Q2 2014
- Munin Explorer on long-term contract with Seabed Geosolutions
- Osprey Explorer awaiting deployment in South America region

3D vessels

- Geo Pacific commenced 3D multi-client survey in West Africa
- Considering alternatives for Voyager Explorer

Q4 multi-client developments

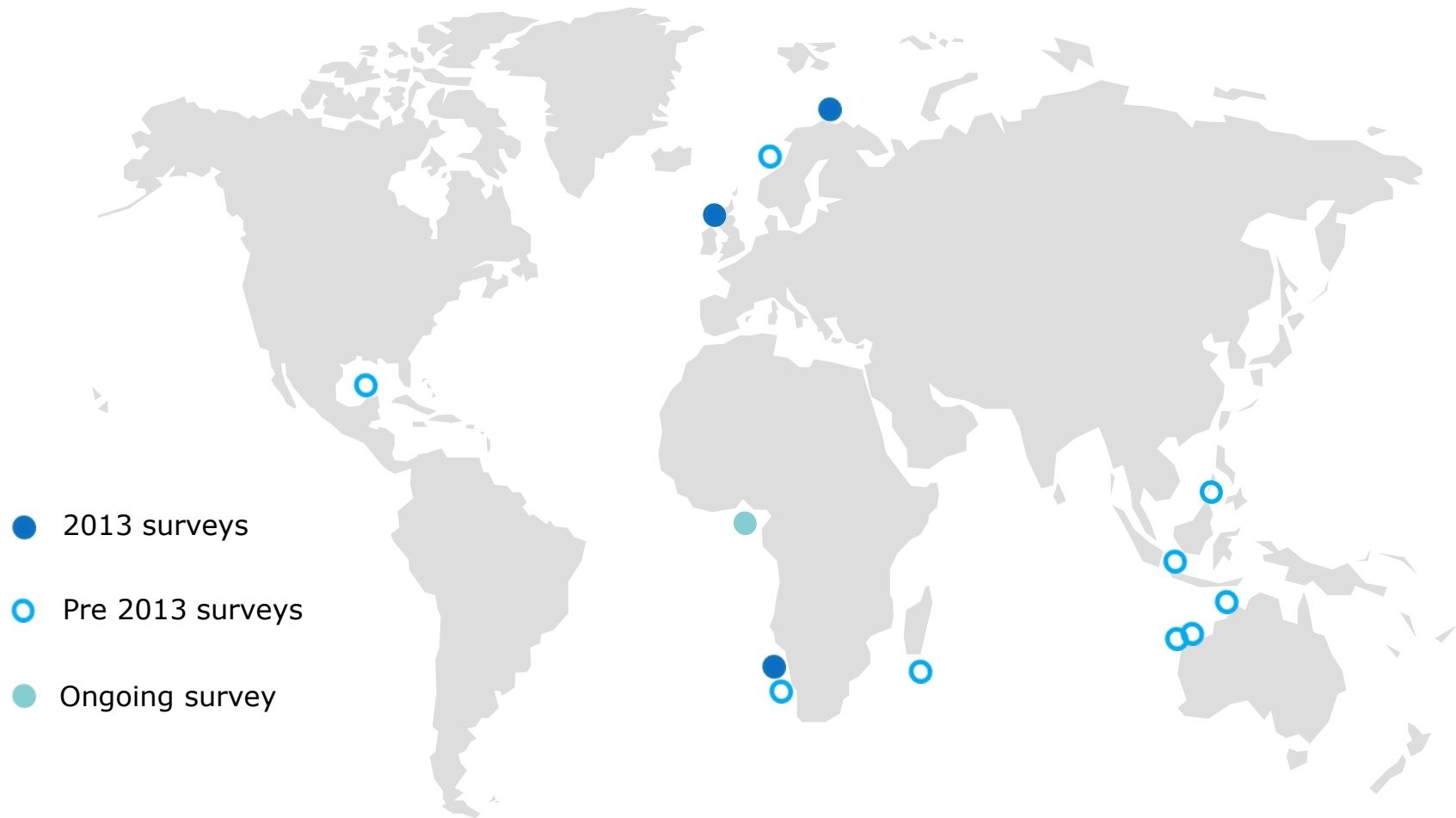
North Sea

- Harrier Explorer completed a 1,500 km survey
 - First significant data acquisition to take place in this area for over a decade
 - Optimized data quality and resolution as a result of broadband acquisition and processing technique as well as extreme deep tow (65m)
 - Area is part of the 28th UK licensing round

West Africa

- Geo Pacific mobilized for a 2,600km² 3D survey
 - Increased focus on seismic activity in this region
 - Anticipated completion in the second quarter of 2014

Multi-client library



Market developments



Challenging Q4 for the seismic industry

"Demand in the seismic market has fallen away in the fourth quarter, dropping down to an average of just 67 vessels in November, the lowest point since October 2009"

Source: Petrodata January 2014

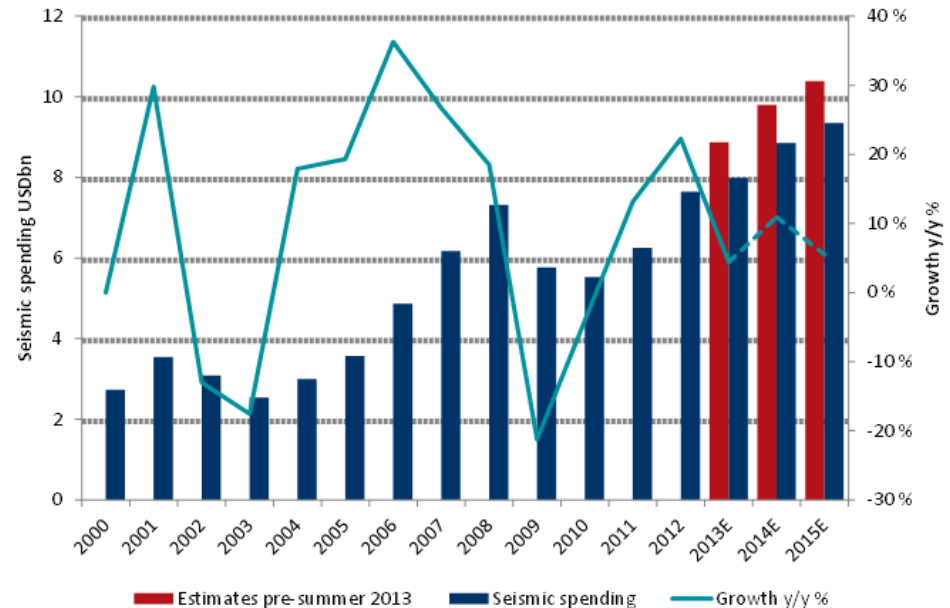
"With a steady fleet size of 142 vessels these fluctuations in demand have been mirrored in utilization, starting the quarter at close to 63% before the fall in November to just 47% and December's climb back to over 60%"

Source: Petrodata January 2014

- SeaBird earnings affected by reduced market demand and resulting lower utilization
- Fourth quarter vessel demand substantially lower in all geographic regions

Seismic market expected to continue to expand

- Seismic spending estimated to show moderate growth, albeit at a slower rate
- Seismic survey tenders expected to stabilize; delays possible
 - Local political situation
 - Environmental permits
 - Regional climates
- Growing source market is contributing to overall demand
- Underlying global economic indicators appear healthy

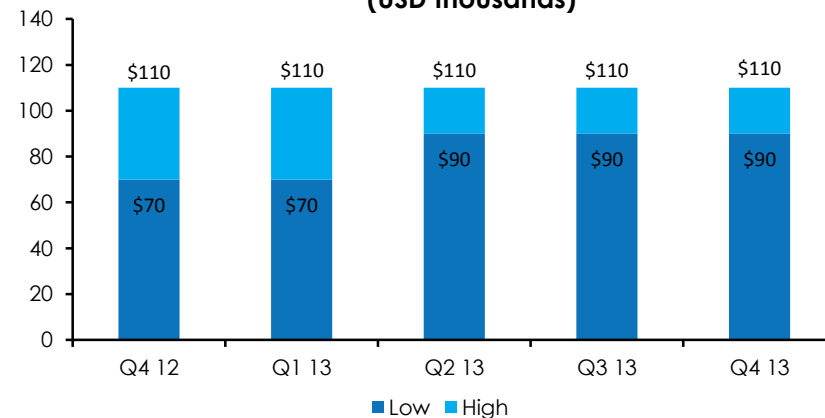


Source: RS Platou Markets AS

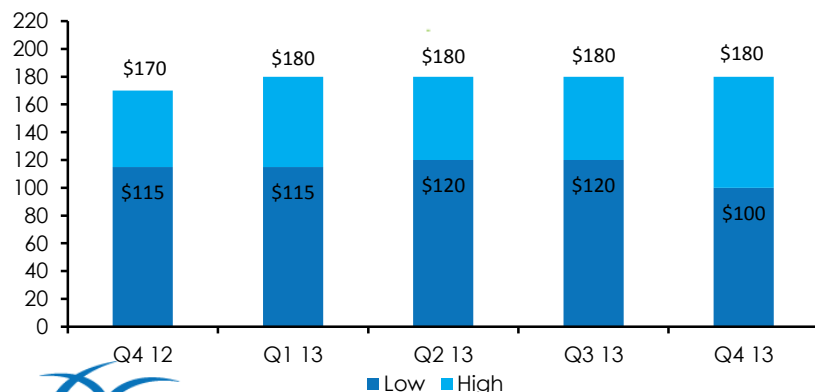
Day rates remain stable

- Day rates are largely expected to remain in line with current market
- Pricing during the fourth quarter was stable

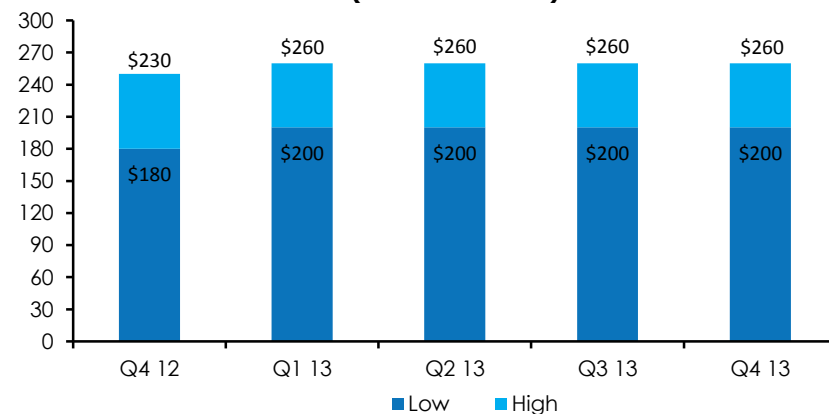
**2D High end
(USD thousands)**



**3D Low end
(USD thousands)**



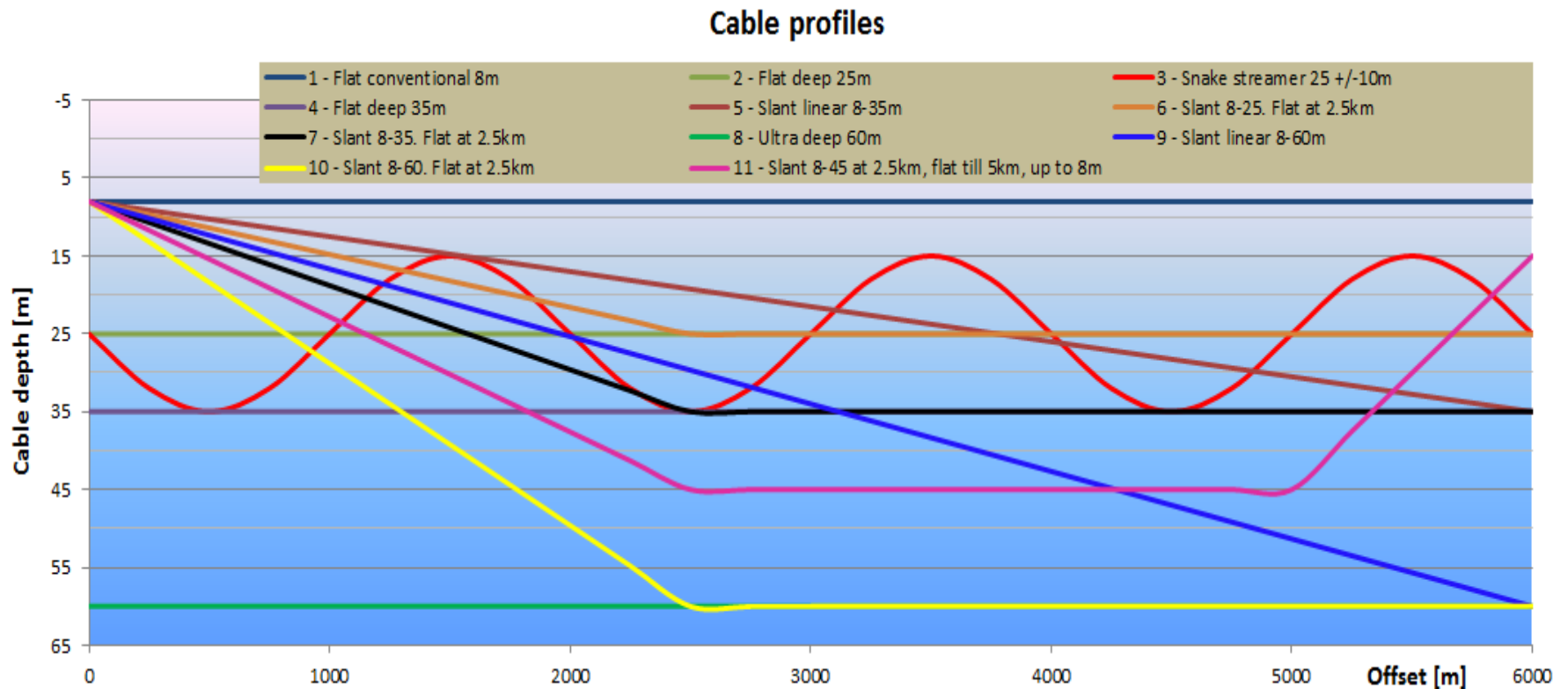
**3D Med end
(USD thousands)**



Market outlook

- Experiencing improvement in demand
 - Improving backlog
- Europe, Africa and the Middle East accounting for a substantial portion of current vessel utilization
 - Seasonal recovery
 - Four vessels active in this region in Q1 2014
- Asia Pacific is expected to continue to be a core geographic area for the company
 - Prolonged environmental approval processes for surveys have delayed deployment to this region
- Fourth quarter softness and delays are likely to have an impact on earnings in the first quarter of 2014
- Multi-client remains an active part of the company's strategy
 - Actively working on securing 2014 projects

Taking 2D to the next level



SeaBird going forward..

- Smarter Multi-Client
- Several areas of significant cost cuts have been identified
- Establishing the role as the 2D market leader
- Refinancing of debt is high on the agenda